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# ***JPRS Report***

## **East Europe**

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15 JULY 1987

## EAST EUROPE

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## DPRK DEPUTY PREMIER VIEWS RELATIONS

AU221400 Sofia OTECHESTVEN FRONT in Bulgarian 17 Jun 87 p 3

[Report by Kiril Panayotov and Boyko Angelov: "Together Toward the Lofty Goal--Third Anniversary of the Treaty of Friendship and Cooperation Between the People's Republic of Bulgaria and the DPRK," containing a "statement by Chong Chun-ki, deputy chairman of the DPRK Administrative Council and candidate member of the Politburo of the Central Committee of the Workers Party of Korea, for OTECHESTVEN FRONT," made in Pyongyang, date not given]

[Excerpts] Seventeen June is a memorable date in the rich history of Bulgarian-Korean relations. On this day 3 years ago in Sofia, Todor Zhivkov and Kim Il-song, the first party and state leaders of the People's Republic of Bulgaria [PRB] and the DPRK, signed the first Treaty of Friendship and Cooperation Between the PRB and DPRK, a document which marked the beginning of a new qualitative stage in the two countries' relations.

This is what Chong Chun-ki, deputy chairman of the DPRK Administrative Council and candidate member of Politburo of the Central Committee of the Workers Party of Korea, said about the development of friendly relations between the DPRK and the PRB:

"When we speak today about the dynamic upsurge and flourishing of comprehensive friendly relations between our countries we must stress the great contribution of our first leaders Comrades Todor Zhivkov and Kim Il-song. After historic meetings--on Bulgarian soil in 1974 and on Korean soil in 1985--our relations reached unprecedented heights. The treaty of friendship and cooperation has played a great role in strengthening our cooperation in all areas. I would like to point out that in recent years the interest of the Korean people toward Bulgaria has increased extraordinarily. We are familiar with your heroic history and follow with interest your successes in socialist construction. We rejoice with the successes of the PRB, which turned within a short period into a highly developed state with modern industry and agriculture and flourishing culture, and see them as our own successes. We fully approve the BCP course of conducting a profound restructuring within the framework of the scientific-technical revolution and actively support the consistent peace-loving policy of the PRB and its peaceful initiatives in the Balkans, Europe, and the world. This policy fully corresponds to the responsible requirements of our time and guarantees future victories. Therefore, I would like to express my great satisfaction with the fact that the Bulgarian and Korean nations march shoulder to shoulder toward the lofty common goal--peace and prosperity--despite of the geographical distance which separates us."

BULGARIA

POLITICAL

ZHIVKOV CONGRATULATES SRV OFFICIAL

AU221720 Sofia RABOTNICHESKO DELO in Bulgarian 19 Jun 87 p 1

[Text] Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council, has sent the following telegram to Vo Chi Cong, chairman of the SRV State Council.

Dear Comrade Vo Chi Cong, on the occasion of your election to the post of chairman of the State Council of the SRV, I convey to you the most sincere congratulations and best wishes for health and success in this high-ranking state position, on behalf of the State Council of the People's Republic of Bulgaria and on my own behalf.

I take advantage of this opportunity to express my firm conviction that the fraternal relations between our two peoples and countries, based on the principles of Marxism-Leninism and socialist internationalism, will steadily develop and be intensified to the benefit of both the Bulgarian and Vietnamese peoples, in the interest of strengthening the unity and cohesion of the socialist community, for the sake of peace and security throughout the world.

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CSO: 2200/112

## MONGOLIA'S BATMONH SPEAKS AT SOFIA RALLY

AU131550 Sofia RABOTNICHESKO DELO in Bulgarian 3 Jun 87 pp 1, 2

[Speech delivered by Jambyn Batmonh, general secretary of the Central Committee of the Mongolian People's Revolutionary Party and chairman of the Presidium of the People's Great Hural of the Mongolian Peoples Republic, at a Bulgarian-Mongolian friendship rally held on 12 June at the Georgi Kirkov Hall in Sofia]

[Text] Dear Comrade Todor Zhivkov, dear Bulgarian friends, we are profoundly moved by the atmosphere of friendship and cordiality existing at the present meeting with the representatives of the working people from Sofia City. We thank you for the ardent wishes and kind words which you addressed to the Mongolian people. We thank you for the expression of feelings of friendship and affection on the part of the Bulgarian people for our party and for the Mongolian people. On behalf of the Mongolian communists and on behalf of all working people in the Mongolian People's Republic [MPR] I would like to convey to you and through you, to all citizens of socialist Bulgaria, our fraternal greetings and best wishes. [applause]

We would like to express our sincere gratitude to the BCP Central Committee, to the government of the People's Republic of Bulgaria, and to Comrade Todor Zhivkov personally, for the kind invitation addressed to our party and government delegation to pay a friendly visit to Bulgaria, as well as for the exceptionally warm welcome and cordial hospitality accorded to us.

During our stay in sunny Bulgaria we had the opportunity to visit remarkable sites in Sofia and Plovdiv, and to become familiar with the achievements of the workers' collectives. We sincerely rejoice at the successes of the fraternal, Bulgarian people in building socialism, at their great successes implemented in your country's life in recent years.

Socialist Bulgaria today is a country with a highly developed, modern industry, with a highly efficient agriculture, and high cultural standards. The high level of development which you have achieved makes it possible for you to map out even more impressive tasks in the further construction and development in the future. The implementation of the decisions adopted by the 13th BCP Congress will be the main guideline in this connection. These decisions mapped out the strategic line toward achieving a qualitative new growth in all spheres of your country's social life. We duly appreciate your



innovative approach to the problems of restructuring and the experience accumulated by Bulgaria in economic intensification, and in particular your experience in perfecting national economic management. This is a considerable contribution to the increase of the economic and scientific-technical potential of the socialist community member countries.

As you know, Mongolia, in the years since people's revolution, covered a long path leading toward social innovation, and achieved great successes in the improvement of our socioeconomic development raising it to a new level.

The Mongolian people today are successfully coping with the important and wide scope of tasks of socialist construction which were mapped out by the 19th Congress of the Mongolian People's Revolutionary Party (MPRP). Our party and people focus their main attention to the unrelenting increasing of social production, the improvement of its efficiency, and to the perfection of the total economic mechanism system. In performing the tasks of our economic construction, we devote our main attention to consolidating a creative, businesslike atmosphere for our workers collectives and to educating them in the spirit of a new, critical approach to work. We devote our attention to consolidating the principles of social justice and to developing socialist democracy.

At the same time we are waging an active struggle to eliminate everything impeding our work and obstructing our progress. The Mongolian working people ardently approve and support this line of domestic policy conducted by our party and this makes them more active both in their professional work and in public activities.

As a whole, the tasks of the first year of our current 5-year plan period are being successfully accomplished. The national income increased by 5.6 percent as compared with 1986, the industrial production increased 7.9 percent, while the total agricultural production increased by 3.6 percent which exceeds the average annual level of the previous 5-year plan period by 18.3 percent. We obtained a good harvest from our cereal crops. The tasks of this year's current plan are accomplished in a satisfactory manner. In the first 5 months our industrial production increased by 5 percent, compared with the same period of 1986. The agricultural work is accomplished with success. the measures envisaged by plan in connection with improving the people's well being are accomplished to their full extent. The retail turnover increased by approximately 3 percent. In duly evaluating our progress, we constantly devote our attention to making our work more dynamic in all spheres and along all lines in order to successfully achieve the supreme goals mapped out by the 19th MPRP Congress.

In building socialism our people are supported by the increasing assistance of their loyal friends and allies and in the broad cooperation extending to all spheres of our social life. this cooperation is constantly being enriched with new forms and contents which is in accordance with the basic interests of peoples in our countries, and in conformity with the spirit and letter of the decisions adopted by summit meeting of CEMA member countries, as well as in

accordance with the agreements prepared at the Moscow working conference of leaders of fraternal communist and workers parties from the aforementioned countries.

We highly appreciate the fact that at this working meeting we agreed to work out a special assistance program, within the framework of CEMA, for the SRV, the Republic of Cuba, and the MPR in the purpose of accelerating the development of these countries and for increasing the efficiency of their national economies.

With great satisfaction we noted the successful development and the further intensification of the traditional Mongolian-Bulgarian relations of friendship and cooperation. the peoples of our two countries are united forever by their common ideologies and by the basic interests of their countries, as well as by the fact that they belong to the fraternal family of the socialist countries and by their common, destructible friendship with the glorious Soviet Union.

The close cooperation between the MPR and the BCP has always been and will always be the core of the entire complex of Mongolian-Bulgarian relations. The foundations of this friendship were laid down with the most active participation of Georgi Dimitrov and Vasil Kolarov, the outstanding Bulgarian revolutionaries.

The Mongolian people are very satisfied with the development of Mongolian-Bulgarian relations. The Mongolian people consider Comrade Todor Zhivkov, Bulgaria's experienced party and state leader, as an ardent champion of friendship among peoples, as a consistent supporter and continuer of the glorious tradition of friendship.

The results of our visit, of our talks and negotiation held with Comrade Todor Zhivko and with the other leaders of the People's Republic of Bulgaria, have once more confirmed the mutual desire of our two parties and countries to further pursue the development of Mongolian-Bulgarian relations. This aspiration of our two peoples is sealed by the new friendship and cooperation treaty between the MPR and the People's Republic of Bulgaria, which we signed here, in Sofia.

We are firmly convinced that the implementation of the propositions of the new treaty and the long-term program for the development of cooperation between our two countries will produce new progress in Mongolian-Bulgarian relations.

Dear friends, in dealing with the problems of international relations I would like to point out with great satisfaction that our two countries' parties and governments have identical stands on the most topical issues of our era. The key problem of world development today, which determines directly the fate of mankind and civilization is the necessity to halt the arms race and urgently to rescue our planet from nuclear weapons. The MPR entirely supports the peace-loving domestic policy and the actions of the Soviet Union, the People's



Republic of Bulgaria, and of the other socialist community member countries, a policy aimed at consolidating the foundations of peace and security in Europe.

The results of the Berlin conference of the Warsaw Pact Political Consultative Committee once more vigorously confirmed the consistent and persevering efforts of the fraternal, socialist countries for constructing the building of European peace on the basis of a lasting, mutual confidence, large-scale peaceful cooperation, and keeping the military balance at the lowest level.

The documents adopted at the Berlin Conference contain specific and practically applicable proposals. Aimed at the further development of the disarmament process, at limiting military potentials and at the gradual transition to a world, free of nuclear arms. We are convinced that these new initiatives will to a great extent contribute to reaching an agreement on the elimination of the intermediate range missiles, and of the operational-tactical arms in Europe. We support the initiatives and efforts of the People's Republic of Bulgaria aimed at transforming the Balkans into a zone, free of nuclear and chemical weapons, into an area of peace and stability.

The example of the all-European dialogue is particularly valuable for Asia where the ideas for a world, free of nuclear war and violence are making headway; where appeals for ensuring an all-Asian and Pacific security are becoming increasingly insistent.

The MPR, together with the fraternal countries, is expressing itself in favor of consolidating peace and security in Asia, for settling the problems existing in that part of the world on the basis of the principles of non-use of force in relations among countries situated in this area, and in the purpose of creating an atmosphere of cooperation in this area. In this context the peaceful initiatives of the Soviet Union are of exceptional importance as regards the proposal to ensure peace and cooperation in the Asian-Pacific area, a proposal that was submitted by Comrade Mikhail Gorbachev, general secretary of the CPSU Central Committee in Vladivostok.

The MPRP will also continue in the future to devote efforts to the consolidation of the unity of the socialist community member countries for rallying the ranks of the international communists and workers movement on the basis of the principles of Marxism-Leninism. We are firmly convinced that the results of the present Mongolian-Bulgarian negotiations will serve as a basis for the consolidation and intensification of fraternal friendship between the MPR and the People's Republic of Bulgaria, and they will contribute to the intensification of the unity of actions of the socialist community member countries.

In expressing sincere feelings of friendship, affection, and respect on the part of the Mongolian people for the communists and working people in the People's Republic of Bulgaria, our delegation wishes you, dear comrades and friends, to all Bulgarian people new successes and victories in implementing the historic decisions of the 13th BCP Congress, in the struggle for peace and international security.

Long live the indestructible Mongolian-Bulgarian friendship, long live peace throughout the world. [applause chants and cheers]

## ZHIVKOV SPEAKS AT MPR RALLY

AU121350 Sofia RABOTNICHESKO DELO in Bulgarian 13 Jun 87 pp 1, 2

[Speech delivered by Todor Zhivkov at Bulgarian-Mongolian Friendship Rally held on 12 June at the Sofia Georgi Kirkov Hall—live]

[Text] Esteemed Comrade Batmonh, dear Mongolian friends, comrades, every meeting with close and loyal friends is a source of joy and warm feeling. Nevertheless, there are meetings that remain unforgettable. This is the case with our present meeting with the representatives of the Mongolian people. The present day opened a brilliant page in the annals of Bulgarian-Mongolian relations. Today we signed a long-term agreement between the People's Republic of Bulgaria and the Mongolian People's Republic for a 20-year period. On the basis of this document of historic importance, we will consistently and unrelentingly consolidate cooperation between our two countries.

The moral-political basis and the core of Bulgarian-Mongolian relations are the militant alliance and the strong ties between two communist parties. There is no sphere in our countries' political, economic, and social life where mutual contacts do not develop with success and increasing intensity, where we do not exchange useful experience, and mutually assist each other.

We devote our greatest attention to economic and scientific-technical cooperation. For several years already a number of jointly built industrial and agricultural projects have been jointly operating, such as the Georgi Dimitrov leather processing plant in the town of Darhan, the meat processing plant in the town of Chyobalsan, the first agro-industrial complex in Mongolia, named after Vasil Kolarov, and the modern hothouse combine in Ulaanbaatar, as well as others. With their efforts Bulgarian geologists are assisting the Mongolian comrades in prospecting an increasing number of natural resources. We have the common wish to expand the local prospecting enterprise as a promising and future-oriented form of mutually advantageous cooperation.

We are convinced that the present visit of the Mongolian comrades to the People's Republic of Bulgaria will contribute to the intensification of our mutual cooperation in all sectors of life. [applause].

It is a particular pleasure for me to point out the contribution made by Comrade Jambyn Batmonh, general secretary of the Mongolian People's Revolutionary Party [MPRP] and chairman of the People's Great Hural of the MPR, to the expansion of Bulgarian-Mongolian friendship and to the expansion of comprehensive cooperation between the two countries.

I am glad for the opportunity to congratulate him once more most cordially and fraternally on his being awarded the Georgi Dimitrov Order--the highest Bulgarian decoration--and to wish him vigorous health, creative strength, and new successes. [applause]

Comrades, the Bulgarian people are following the development in the MPR with great interest. Guided by their militant vanguard, the MPR, the Mongolian people are confidently proud of their programmatic task of transforming their country from an agrarian-industrial into an industrial-agrarian state. As internationalists, as your true friends, dear Mongolian comrades, we enthusiastically greet all your successes in the socialist construction of your beautiful country. [applause]

The BCP and the Bulgarian people are also engaged in the construction of our transformed Bulgaria. For several decades already our country has been developing at high and stable rates. The production structure of our economy has radically changed. The leading branches today are those which are exponents of technical and scientific progress. We achieved an important position in the international division of labor, and our people's living standard considerably improved.

In implementing the April plenum general party line, the 13th BCP Congress adopted a new, strategic line for qualitatively new growth. How can we describe the goal of this new, strategic line of policy? We can say that our goal is to achieve form of restructuring, with which--by utilizing the whole, tremendous potential of the advantages offered by the socialist social system--to transform our country, by the end of the century, into a highly developed, socialist state with high cultural standards. This also means that we should master the scientific-technical revolution, that we should more and more fully assess the requirements of objective social laws, and that we should give wide opportunities to the creative initiative of the working people who are the true creators of history.

We share our experience, the difficulties we are meeting and overcoming, and our shortcomings and weaknesses with the fraternal parties. We are learning from the experience of these parties, and especially from the CPSU, which is engaged in the drastic restructuring of Soviet society.

Comrades, the epoch in which we live urgently demands that the present of the world's development should be understood in a new manner. This world is controversial and complicated, but nevertheless, it is objectively united by the links of mutual interdependence.

The foreign policy initiatives of the Soviet country are an expression of its basically new approach. The recent conference of the Warsaw Pact Political Consultative Committee held in the GDR capital was a new manifestation of this policy. The meeting showed that a real possibility exists of achieving a Soviet-American agreement on the elimination of intermediate-range missiles in Europe. This would be an event of historic importance in the struggle to avert a thermo-nuclear disaster and achieve an all-round improvement in the international atmosphere. Peace is necessary all over the world, in the Balkans, in Europe and throughout the world. We point out the great importance of the Delhi declaration which expressed new political thoughts in the nuclear century.

As you know, the relations between the People's Republic of Bulgaria and the PRC were intensified in recent years. The Bulgarian-Chinese summit dialogue, recently held, confirmed the mutual desire that Bulgarian-Chinese relations should continue to develop in the interest of both peoples, in the interest of the cause of socialism and peace.

The People's Republic of Bulgaria highly appreciates the active and peace-loving foreign policy of the MRP. We are in solidarity with and entirely support the proposal submitted by the MPR to create a mechanism excluding the use of force in relations among states situated in the Asian-Pacific region. We welcome the initiatives to hold numerous Asian peace and cooperation forums, and in particular, the forthcoming consultative meeting of representatives of communist and workers parties of the Asian and Pacific countries.

Comrades, within less than a month, Mongolian working people will celebrate the 66th anniversary of their people's revolution.

Permit me, dear Mongolian comrades, to congratulate you on this great anniversary, and to ask you to convey to the Mongolian workers and to all Mongolian people our congratulations and best wishes for new successes and worthy deeds in implementing the decisions of the 19th MPRP Congress, for the progress of socialist Mongolia. [applause]

Long live and prosper the indestructible Bulgarian-Mongolian friendship, may the unity and cohesion of the socialist community strengthen and prosper, long live socialism throughout the world, long live peace!

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CSO: 2200/112



## BULGARIAN-MONGOLIAN FRIENDSHIP TREATY

AU170747 Sofia RABOTNICHESKO DELO in Bulgarian 13 Jun 87 pp 1, 2

["Friendship and Cooperation Treaty Between the People's Republic of Bulgaria and the Mongolian People's Republic" signed in Sofia on 12 June 1987]

[Text] The People's Republic of Bulgaria and the Mongolian People's Republic, [MPR] guided by the sincere wish of both the Bulgarian and Mongolian peoples to continue, also in the future, to consolidate, develop, and intensify the indistructible, fraternal friendship, comprehensive cooperation, and comradely mutual assistance between the two countries on the basis of Marxism-Leninism and socialist internationalism,

Profoundly convinced that the further expansion and intensification of close relations between the two countries is in conformity with the interests of both the Bulgarian and Mongolian peoples, that it serves the consolidation of the unity and cohesion of the socialist community member states, and their comprehensive drawing together, as well as the development of cooperation with all socialist states,

Considering that the economic and scientific-technical cooperation between the two countries fully conforms to the goals and tasks of the further development and perfection of socialist economic integration, of the coordination of economic policy, and of the implementation of the extensive programs aimed at intensifying the CEMA member states' economic and scientific-technical cooperation,

Basing themselves on the mutual striving and resolve of the two countries to contribute extensively to the consolidation of peace and international security in accordance with the principles of peaceful coexistence among states with different social systems, and guided by the aspiration to contribute actively to the unification of all forces fighting for peace, national liberation and social progress,

Declaring themselves resolutely in favor of halting the arms race and averting its extension to outer space, declaring themselves in favor of the full elimination of nuclear and other types of weapons of mass destruction, declaring themselves in favor of the most prompt achievement of the goals pertaining to the establishment of a nuclear-free world,

Confirming their adherence to the goals and principles of the UN Charter,

Assessing the results achieved in implementing the previous Friendship and Cooperation Treaty, signed on 21 July 1967, in the development of the political, economic, and cultural relations between the People's Republic of Bulgaria and the Mongolian people's Republic, in assessing the consolidation and development of the socialist communist and the changes that have occurred all over the world during the aforementioned period,

Decided to sign the present treaty and agreed on the following:

#### Article 1

The high contracting parties will in the future also continue to consolidate the indestructible friendship between the Bulgarian and Mongolian peoples. They will develop and intensify the comprehensive cooperation and fraternal mutual assistance between the two countries on the basis of the principles of Marxism-Leninism and socialist internationalism, on the basis of fully equal rights, mutual respect for each other's state sovereignty, and mutual non-interference in each other's domestic affairs.

#### Article 2

The high contracting parties will in the future also continue to develop and intensify the economic and scientific-technical cooperation between the People's Republic of Bulgaria and the MPR in accordance with the principles of fraternal mutual assistance and mutual advantage, on the basis of both short-term and long-term programs, on the basis of coordination of their national-economic plans, on the basis of specialization and production sharing, on the basis of joint scientific-technical and production organizations and enterprises, and on the basis of applying new forms and fresh experience in this sector.

The two sides will support and intensify multilateral economic cooperation and will contribute by all means to consolidating the economic potential of socialism, to perfecting socialist economic integration, to implementing the goals of comprehensive and other programs and agreements aimed at intensifying the economic and scientific-technical cooperation among CEMA member states.

#### Article 3

The high contracting parties will continue to contribute to further drawing the Bulgarian and Mongolian peoples closer together intellectually by deepening and intensifying their cooperation in the fields of education, health, science, culture, arts, the press, radio, television, physical culture, sports, tourism, and other spheres of activity.

#### Article 4

The high contracting parties will encourage the establishment of direct contacts and business relations between the state organs, economic, cultural, and other institutions and departments, as well as between social organizations and



sister cities in both countries for cooperation and a more intensive drawing together, as well as better mutual acquaintance between the Bulgarian and Mongolian peoples as regards life and experience in building socialism in the People's Republic of Bulgaria and in the MPR.

#### Article 5

In implementing the present treaty, separate agreements will be signed on a bilateral and multilateral basis between the governments of the two countries, as well as between individual state organs, and economic, cultural, and other departments and organizations of the two countries.

#### Article 6

The high contracting parties will in the future also continue to adopt all measures likely to further consolidate the power, unity, and cohesion of the socialist community as the chief mainstay of all revolutionary and progressive forces throughout the world.

#### Article 7

The high contracting parties will consistently implement the policy of peaceful coexistence among states with different social systems; they will actively contribute to implementing the goals and principles of the UN Charter in connection with consolidating and intensifying the process of detente in international relations, and they will do everything within their power to eliminate war from peoples' lives and to guarantee their right to peace.

The two parties declare themselves in favor of creating an all-encompassing system of international security, in favor of halting the arms race, especially in the sector of nuclear weapons, and in favor of averting the militarization of outer space, as well as in favor of a full and total elimination of weapons of mass destruction in the near future, and in favor of universal and full disarmament, under strict international control.

#### Article 8

The high contracting parties will in the future also continue to support the just struggle of the peoples of Asia, Africa, and Latin America for peace, freedom, democracy, and social progress, for the final elimination of colonialism and racism in all their forms and manifestations; they will closely cooperate with the nonaligned countries for the democratization of international relations, for the establishment of a new international economic order, based on equal rights and justice.

#### Article 9

The high contracting parties will contribute to the establishment of an efficient system likely to transform Europe, Asia, and the Pacific zone into areas of peace, where good-neighborly relations and broad mutually advantageous cooperation exist.

#### Article 10

The high contracting parties will exchange mutual information and will consult each other on questions pertaining to bilateral realtions, as well as on important international issues affecting the interests of the two countries, and will cooperate in conformity with the principles and goals of the present treaty.

#### Article 11

The present treaty does not affect the rights and obligations of the two high contracting parties as regards valid bilateral and mulitlateral treaties and agreements.

#### Article 12

The present tready is signed for a period of 20 years and will automatically be prolonger every 10 years. Unless one of the two sides expresses the wish to cancel it, which should be done in writing no less than 12 months prior to the expiry of the respective term of validity.

The present treaty is subjected to ratification and will be enforced as of the day of exchange of ratification documents, which is scheduled to take place in Ulaanbaater as soon as possible.

Issued in Sofia on 12 June 1987 in two copies, each in the Bulgarian and Mongolian languages respectively, both texts being considered equally valid.

#### Signed:

For the People's kepublic of Bulgaria by Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council of the People's Republic of Bulgaria.

For the MPR by Jambyn Batmonh, general secretary of the Central Committee of the Mongolian People's Revolutionary Party and chairman of the Presidium of the People's Great Hural of the MPR.

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BULGARIA

POLITICAL

ZHIVKOV GREETES TUNISIAN CP LEADER ON REELECTION

AM221300 Sofia RABOTNICHESKO DELO in Bulgarian 17 Jun 87 p 1

[Proceedings message from Todor Zhivkov, general secretary of the BCP Central Committee and State Council chairman, to Mohamed Harmel, first secretary of the Tunisian Communist Party, upon his reelection]

[Text] Todor Zhivko, general secretary of the BCP Central Committee and State Council chairman, has sent the following message to Mohamed Harmel, first secretary of the Tunisian Communist Party:

Dear Comrade Harmel,

On behalf of the BCP Central Committee and on my personal behalf please accept the most cordial and friendly greetings upon your reelection to the post of first secretary of the Tunisian Communist Party.

I am truly convinced that relations between the BCP and the Tunisian Communist Party will continue to develop on the principles of Marxism-Leninism and proletarian internationalism and in the interest of our common struggle for peace, democracy, and social progress.

I wish you, dear Comrade Harmel, and all Tunisian communists good health and success in implementing the decisions of the Ninth Congress of the Tunisian Communist Party.

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CSO: 2200/112

## BCP CC GREETES PERUVIAN COMMUNIST PARTY CONGRESS

AU101427 Sofia RABOTNICHESKO DELO in Bulgarian 30 May 87 p 5

[BCP Central Committee greetings message to the Ninth Congress of the Peruvian Communist Party, delivered by Radoslav Radev, candidate member of the BCP Central Committee and chief editor of RABOTNICHESKO DELO on 29 May in Lima]

[Text] We have great respect for the heroic struggle of the Peruvian Communists in defending the vital interests of the workers class and of all working people for democracy and socialism, the BCP Central Committee greeting message reads. Your party has greatly contributed to rally the democratic forces within the country in the struggle against the efforts of imperialist reaction. The activities of the Peruvian Communist Party in protecting the principles of Marxism-Leninism and proletarian internationalism is consistent and unrelenting.

The greeting message points out that in conformity with their peace-loving, Leninist foreign policy the BCP and the People's Republic of Bulgaria, together with the other socialist community member countries are fighting in the first ranks of the struggle for peace and cooperation in Europe and throughout the world, for the elimination of the threat of a devastating nuclear war. We devote particular efforts to the transformation of the Balkans into a zone, free of nuclear and chemical weapons, for the consolidation of peace and good-neighborly relations in the area.

The universal human aspirations for peace and for a nuclear-free future are indissolubly linked to the striving of the peoples in Asia, Africa, and Latin America for a true national independence, for their development, and social progress. Our party and country are consistent in implementing their international duty and support these people's struggles against imperialism and [word indistinct], as well as their efforts to reorganize international relations on an equal and democratic basis, for the establishment of a new, international, economic order, free of discrimination, to eliminate the unequal exchange and the oppressive burden of foreign debts.

The efforts of the Latin American peoples to foil the attempts of American imperialism of exporting counterrevolution and to defend their rights to independent development represent an important part of this struggle.

Traditional relations of solidarity and cooperation, based on Marxism-Leninism and on the principles of proletarian internationalism, exist between the BCP

and the Peruvian Communist Party. We are convinced that these relations will continue to develop in the spirit of the necessities of our epoch, that they will even more intensely continue to develop in the future, and become even more varied in the interests of the worldwide communist movement, for the sake of our joint struggle for peace, progress, and socialism, the BCP Central Committee greeting message points out in conclusion.

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## TANCHEV RECEIVES COLOMBIAN PARLIAMENTARIANS

AUL60937 Sofia BTA in English 0722 GMT 16 Jun 87

[Text] Sofia, 16 June (BTA)--Mr Petur Tanchev, first vice president of the State Council and secretary of the Bulgarian Agrarian Party, received the visiting Colombian parliamentary delegation headed by Senator Juan Toledano [spelling of name as received] of the Liberal Party.

In a friendly atmosphere, the guests were familiarized with the successes scored by Bulgaria in her socioeconomic development, especially in the fields of electronics, mechanical engineering and agriculture. Mr Petur Tanchev dwelled on the consistent, constructive and peaceful foreign policy of the People's Republic of Bulgaria, on her efforts towards turning the Balkans into a nuclear- and chemical-weapon-free zone.

The Colombian M.P.'s discussed highlights in the current development of their country and spoke about Colombia's work for the establishment of a climate of understanding and confidence among the peoples.

An emphasis was laid on the availability of great opportunities for wider and more active ties between Bulgaria and Colombia in the economic, trade and cultural fields and in the transfer of technologies.

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## COLOMBIAN PARLIAMENTARIANS VISIT ENDS

AU181213 Sofia BTA in English 2114 GMT 17 Jun 87

["Bulgaria, Colombia: Desire for Fruitful Ties"—BTA headline]

[Text] Sofia, 17 June (BTA)—There are preconditions for activation of the contacts between Bulgaria and Colombia, especially in the sphere of economy, said before a BTA reporter Mr Juan Tole Lis, [spelling of name as received] Senator from the Partido Liberal, who headed the visiting here Colombian parliamentary delegation. [sentence as received]

During the talks of the delegation with Mr Stanko Todorov, chairman of the National Assembly, information was exchanged on the socioeconomic development of the two countries, on the most important tasks at the present stage. The two sides stressed the importance of parliamentarists for the widening and deepening of the relations between the two countries in the present exacerbated international situation. Mutual desire was expressed for searching of new forms for deepening of the cooperation in different spheres.

The Colombian guests were also received by Mr Peter Tanchev, first vice president of the State Council and secretary of the Bulgarian Agrarian Party, and by Ms Mariya Zakharieva, deputy minister of foreign affairs. They discussed questions of the bilateral relations, as well as some important problems of the international situation. It was stressed that Bulgaria, as well as Colombia lead a policy toward establishing of a climate of trust and understanding between the peoples, for detente and durable peace in the world.

The Colombia parliamentary delegation left this country today.

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## TANCHEV, TODOROV RECEIVES COLOMBIAN SENATOR

AU181931 Sofia BTA in English 1750 GMT 18 Jun 87

["In the Interest of Bulgaro-Colombian Relations"--BTA headline]

[Text] Sofia, 18 June (BTA)--Today Mr Petur Tanchev, secretary of the Bulgarian Agrarian Party (BZNS) and first vice president of the State Council, received Senator Luis Carlos Galan, chairman of the New Liberalism Party in Colombia, who is visiting here at the invitation of the BZNS Standing Committee.

They discussed the opportunities for the expansion of contacts between the BZNS and the New Liberalism Party, which help activate the political, economic and cultural relations between Bulgaria and Colombia.

Exchanging views on international issues, the sides pointed to the great importance of the sweeping Soviet initiatives for building a peaceful and nuclear-free world. Mr Luis Carlos Galan stressed Bulgaria's contribution to the struggle for peace, security and cooperation in the Balkans, in Europe and the world.

Discussing the situation in Latin America, the two officials noted the significant role of the Contadora group and of the Lima Support Group for a political settlement of the Central American crisis without outside interference and with due respect for the sovereign rights of the states.

Mr Stanko Todorov, chairman of the National Assembly, met today with Mr Luis Carlos Galan.

They briefed each other on the highlights of the socioeconomic development of Bulgaria and Colombia. The National Assembly chairman discussed the reforms under way in the economy, and he emphasized that the efforts are now concentrated on the achievement of qualitatively new growth rates in the conditions of accelerated progress in science and technology. He familiarized his guest with the structure of the Bulgarian Parliament and with its role in the country's overall life.

The Colombian senator told his host about the pressing problems facing his country's economy. He showed interest in Bulgaria's experience in planning.

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## REPORTAGE ON VISIT OF JAPANESE PRINCE

## Zhivkov Receives Prince Takahito Mikasa

AU171725 Sofia BTA in English 1607 GMT 17 Jun 87

[Text] Sofia, 17 June (BTA)--Mr Todor Zhivkov, president of Bulgaria's State Council, received today Prince Takahito Mikasa, member of Japan's royal family, and his wife Princess Yuriko Mikasa.

Welcoming his guests, the Bulgarian president commended Prince Mikasa's contribution to the broadening of the cultural exchange between Bulgaria and Japan which helps promote the bilateral cooperation in different fields and serves the interests of peace and understanding.

Prince Mikasa extended to the Bulgarian president the greetings of Emperor Hirohito.

Mr. Zhivkov asked Prince Mikasa to extend to Emperor Hirohito his best wishes for the well-being of the Japanese people.

During their friendly discussion the Bulgarian president and his Japanese guest noted that the bilateral cooperation in the fields of the economy, trade and culture should be broadened further.

Prince Mikasa spoke of his high esteem for the lifework of the late Mrs Lyudmila Zhivkova who gave a great impetus to the development of the cultural and scientific contacts between Bulgaria and Japan through her ideas and initiatives on the setting up of civilized relations between people and states through art.

Mr Georgi Yordanov, deputy chairman of the Council of Ministers and chairman of the Council for Intellectual Development, attended the meeting.

## Meets With Foreign Minister

AU181530 Sofia BTA in English 1510 GMT 18 Jun 87

["Promoting Bulgaro-Japanese Relations"--BTA headline]

[Text] Sofia, 18 June (BTA)--Prince Takahito Mikasa, member of Japan's imperial family, and his wife Princess Yuriko Mikasa, completed their visit to Bulgaria. They were here at the invitation of Mr Georgi Yordanov, deputy chairman of the Council of Ministers and chairman of the Council for Intellectual Development.

The guests were received by State Council President Zhivkov. The Japanese prince and the Bulgarian president noted that new possibilities have been

created for the broadening of the cooperation between the two countries in the fields of the economy, trade, science and culture. These possibilities should be utilized efficiently.

The Japanese guests had a meeting with foreign Minister Petur Mladenov and had discussions with leading scientists and cultural figures.

Prince Mikasa was elected doctor honoris causa of the Sofia university. He and his wife had the opportunity to visit unique monuments of culture under UNESCO's protection.

Prince and Princess Mikasa were seen off at the airport by Mr Georgi Yordanov and his wife.

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## DZHAGAROV READS ZHIVKOV MESSAGE TO YOUTH MEETING

AU111046 Sofia RABOTNICHESKO DELO in Bulgarian 30 May 87 pp 1, 2

[Greeting Message from Todor Zhivkov to the "Youth and the Challenges of the 21st Century" international meeting read by Georgi Dzhagarov, deputy chairman of the State Council, at the opening session of the meeting on 29 May in Sofia]

[Text] Dear young friends, permit me, on behalf of the State Council of the People's Republic of Bulgaria, on behalf of the Bulgarian public which welcomed your meeting with great interest, to greet you most cordially and to wish you success in your noble initiative. I am glad that you have accepted the Dimitrov Komsomol's invitation to participate in this significant forum of youthful optimism.

You have arrived in Sofia from different parts of the globe as representatives of the young generations, or organizations and movements with different political, ideological, and religious orientations. We highly appreciate your aspiration to search for answers to the vitally important problems of young people and of all mankind by engaging in a universal dialogue.

"All things are changing," this thought expressed by an ancient philosopher is more valid than ever before because, as a result of the scientific-technical revolution, the world has entered a new stage of development as regards its productive forces. Unheard-of opportunities are opening up to satisfy the material and cultural needs of every nation and of all generations. At the same time, progress in science and technology produces a qualitatively new leap forward in the sector of means of destruction, which confronts mankind with a dramatic alternative between survival and self-destruction.

The present-day, worldwide socioeconomic situation is complicated. Peoples in many countries are oppressed by tremendous foreign debts, they are suffering from technological backwardness, mass unemployment, especially among the youth, as well as from disease and growing illiteracy. The state of environmental protection also evokes serious concern. Certain reactionary circles are trying to impose a policy of imperialism of specific information.

In order to solve the problems we are facing today, it is necessary to adopt a new political way of thinking. This new way of thinking has already achieved a breakthrough out in international life. It is gratifying that numerous elements of this way of thinking have emerged in mass democratic movements and in active relations among youths.

The preservation of human civilization, the solution of global problems--all this requires that people master the difficult but necessary art of living together in peace. In this respect great opportunities are opening up for you. You, the present young generation, are responsible for ensuring that mankind welcomes the 21st century with new material, social, and cultural achievements.

You young friends are living and working under different conditions, you are heirs to the most varied historical traditions. You know from your own experience how multifaceted the world has become. In this multifaceted world every nation has the right to select its own future and to defend its own interests, but--at the same time--to participate in solving problems that concern all people.

The voice of common sense today demands that new political values should be created--values worthy of the cultural level attained by mankind. Awareness of this necessity is the core of humanitarianism in our era, humanitarianism that requires bold decisions and actions.

Creating a world of people and for people is the only answer worthy of you, dear young friends, as an answer to the great, historic challenges which the 21st has in store for you. We believe in you, we believe in your creative and moral forces and talents!

May we all, together, with our talents and inspiration, devote our energies to the bold and resolute transition to the third millennium in the life of mankind. May this become a millennium of peace, progress, and prosperity for all people.

I wish your forum complete success.

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## DIMITROV BIRTHDAY ANNIVERSARY MARKED

AU171655 [Editorial Report] Sofia Domestic Service in Bulgarian at 1500 GMT on 17 June begins a 40-minute live relay of a festive meeting in Sofia's Georgi Kirkov Hall to mark the 105th anniversary of Georgi Dimitrov's birth.

As the live relay begins the announcer reports that "leaders of our party and state headed by Todor Zhivkov, general secretary of the BCP Central Committee and State Council chairman," enter the hall. The participants greet the leaders with prolonged applause. The Bulgarian national anthem is then played.

The proceedings are opened by Starla Shopova, secretary of the BCP Sofia City Committee, who gives the floor to Vasil Tsanov, secretary of the BCP Central Committee.

Vasil Tsanov describes Dimitrov as a "source of inspiration" for the Bulgarian people, and dwells on his influence on Bulgaria's revolutionary struggles and socialist construction. He reviews in detail Dimitrov's life and work, and Dimitrov's "love for the Bulgarian people," quoting his words to that effect at the Leipzig trial. Tsanov stresses "Dimitrov's role in introducing the Leninist ideas to the BCP" and describes his role in the September 1923 insurrection. He points out Dimitrov's role in "uniting the world proletariat and all progressive forces," and describes his life as an "example of internationalism." Tsanov quotes in detail Dimitrov's words on the importance of Bulgarian-Soviet friendship, stressing that this friendship was elevated to a new stage during his life.

Turning to the period of socialist construction in Bulgaria, Tsanov describes Dimitrov's contribution to "applying the Soviet experience" in this area. He defines the BCP Leninist April line as a continuation of Dimitrov's cause, connecting this line with "the remarkable theoretical and practical activity of comrade Todor Zhivkov."

Describing Bulgaria's agricultural successes Tsanov praises BCP's contribution to solving the agrarian issue in a Marxist-Leninist manner. He stresses the importance of the 13th BCP Congress in "further introducing the scientific-technical revolution in Bulgaria," connecting this policy with "further improving the people's standard of living." He described the importance of restructuring which is taking place in Bulgaria, defining its goals as "revolutionary." In this context Tsanov dwells on recent documents adopted by the National Assembly, such as the Labor Code and the decision to place socialist property in the hands of the labor collectives, defining them as "remarkable achievements." He stresses the importance of self-management, pointing out the importance of Todor

Zhivkov's speeches at the congresses of the Bulgarian Trade Unions and the Fatherland Front "for implementing the strategic course for a new qualitative growth." He mentions the difficulties which are to be expected along the road of restructuring, and stresses the importance of the labor collectives in facilitating restructuring. Referring to Georgi Dimitrov, Tsanov describes Dimitrov's attitude to the new phenomena which hinder restructuring, stating that this attitude is also relevant today. "We allowed weaknesses and shortcomings," Tsanov says, pointing to "ignoring objective factors" as one of them. He stresses the need of "revolutionary discipline" in order to implement the party's instructions.

Turning to international affairs Tsanov points out Dimitrov's contribution to the struggle against fascism, stressing Dimitrov's warning of fascism's designs to wage a new war. He quotes Dimitrov's words on the importance of peace and stresses that today it is very important to unite all progressive forces in the struggle for peace. "The issue of the unity of action of all democratic forces is of exceptional importance," Tsanov says. He points out the "peaceful disarmament initiatives" of the USSR and the countries of the socialist community, stating that "protecting peace" is the main goal of this community. He quotes Gorbachev's words on the need to protect world peace and again stresses the importance of unity of action in this venture. He describes the "peaceful foreign policy of the CPSU and the USSR" mentioning the USSR moratorium on nuclear tests and the recent disarmament proposals as examples of this policy.

"Bulgaria is in the vanguard of the struggle for peace and disarmament," Tsanov says, recalling Bulgaria's proposal to turn the Balkans into a nuclear-free zone. He blames the United States and NATP for continuing the arms race and "conducting a policy of neoglobalism, aimed at achieving a military superiority over the USSR and the socialist community." This approach has nothing in common with mankind's aspirations to live in peace, Tsanov says.

In conclusion Tsanov says that "the cause of Dimitrov will live for ever" and will continue to inspire the BCP and the Bulgarian people.

The festive meeting is declared closed at 1540 GMT, after which an orchestra plays the Internationale.

The announcer lists the following leaders as having attended the meeting: "Comrades Todor Zhivkov, Georgi Atanasov, Grisha Filipov, Dobri Dzhurov, Yordan Yotov, Milko Balev, Ognyan Doynov, Petur Mladenov, Petur Tanchev, Stanko Todorov, Chudomir Aleksandrov, Andrey Lukanov, Georgi Yordanov, Grigor Stoichkov, Dimitur Stoyanov, Petur Dyulgerov, Stoyan Markov, Dimitur Stanishev, Emil Khristov, and Stoyan Mikhaylov."

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## REPORTAGE ON WPC CULTURE COMMISSION SESSION

## Session Opens

AU181403 Sofia BTA in English 1324 GMT 18 Jun 87

["Intellectuals Struggle for Peace"—BTA headline]

[Text] Sofia, 18 June (BTA)--"I don't believe in the myth of the demigod artist. The artist is a man as any other, I can't be just an artist, above all I'm an ordinary man, and that's why I'm not indifferent to the menace of armaments or star wars. I'm not indifferent to social problems, either," said Mr Antonio Gades, a Spanish choreographer and dancer. He attends the session of the World Peace Council's Standing Commission on Culture and Peace Education, which began here today.

Asked about his idea of the artists' struggle for peace, Mr Gades answered: An artist should not be identified with his occupation. 'Through my art, I do demonstrate my ideology, but I also take part in demonstrations and I myself organize initiatives in defence of peace. I don't think that the two stand in each other's way. Once I've started something, I have to carry it through,"

Education in the spirit of peace and mutual respect, for setting a climate of trust, where the notion of "enemy" is already an anachronism: that is where the commission members see their top priority. Mr Romesh Chandra, president of the World Peace Council, also thinks the commission should focus on this. He called attention to the growing awareness among intellectuals of the need for the maintenance of peace, and he emphasized that the men of art, science and education are in a position to influence public opinion in favour of disarmament and to popularize the new philosophy of peace.

During its 2-day meeting, the commission will consider the ways for the implementation of the World Peace Council Culture Programme, its cooperation with UNESCO, with international nongovernmental organizations, and its participation in the World Decade for Cultural Development (1988-1997).

## Session Ends

AU191833 Sofia BTA in English 1537 GMT 19 Jun 87

["Men of Culture for Peace"—BTA headline]

[Text] Sofia, 19 June (BTA)—"This meeting of the World Peace Council's Standing Commission for Culture and Peace Education was very important because with it, the commission gets down to real business," said Mr Genrikh Borovik, a writer, chairman of the Soviet Peace Committee. Having attended the 2-day session of the commission in Sofia, he attaches importance to the need for it to enlist the support of more internationally renowned artists in the peace education efforts.

Mr Borovik told a BTA reporter that the meeting had outlined some serious plans and had given rise to some interesting ideas. One is to celebrate next year the 40th anniversary of the Wroclaw Congress of Intellectuals. The initiative will start in Athens, on the anniversary of the Hiroshima A-bomb. Participants from many countries are expected to arrive there, and they will form a human shield around the Acropolis, symbolizing their readiness to safeguard human civilization and the people that have evolved it. From there, via the Balkan countries, they will proceed to Wroclaw, where cultural figures will once again hold a congress.

The meeting also discussed the participation of the World Peace Council in the World Decade for Cultural Development (1988-1997), its cooperation with UNESCO and with nongovernmental organizations.

Today the participants in the meeting met with Mr Georgi Yordanov, deputy premier of Bulgaria and chairman of the Council for Intellectual Development. Mr Romesh Chandra, president of the World Peace Council, representatives of the peace movement in Greece and the United States, and Professor Georges Astre, the World Peace Council representative at UNESCO, laid emphasis on the support which Bulgaria renders to the World Peace Council, to the cause of UNESCO and to all peace-loving forces.

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## BCP CC, GOVERNMENT DECREE ON OUTPUT QUALITY

AU041919 Sofia BTA in English 1819 GMT 4 Jun 87

["Decree of the CC of the BCP and the Council of Ministers"—BTA headline]

[Text] Sofia, 4 June (BTA)—The decree of the CC of the BCP and the Council of Ministers for creating conditions for state quality control of the output was published here. The decree determines the tasks of the Committee for Quality which will supervise the state control of the output, and of the self-managing economic organizations. State quality control is consolidating itself as a form of the relations between the state and the self-managing economic organizations. The state-control bodies will exercise control at the "entrance" to the economic organization--the state of the technical documentation, the logistics of production and the quality of the raw materials, etc. They will also exercise control at the "exit," will see whether the goods meet the quality requirements.

The decree explicitly stresses that the responsibility for the quality of the output, controlled by the state, is borne by every producer in the process of reproduction.

It has been provided for perfecting the metrological equipment.

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## DECREE ON INSPECTION OF PRODUCTION

AUI20501 Sofia RABOTNICHESKI DELO in Bulgarian 5 Jun 87 pp 1, 2

["A Nationwide Cause and Main Precondition for Our Dynamic Development--The BCP Central Committee and the Council of Ministers Recently Discussed and Adopted a Decree on Creasing Conditions for State Inspection of Production"--passages within slantlines published in boldface type]

[Text] /The 13th BCP Congress defined the raising of production quality and competitiveness as one of the strategic tasks in the country's socioeconomic development. Under the conditions of the accelerated introduction of scientific and technical progress and of qualitatively new growth in the economy, the successful fulfillment of this task becomes the main objective precondition for further dynamic development and for building mature socialism in Bulgaria. The progressive changes in the management of the economy that have ensued as a result of the decision of the December 1986 Plenum of the BCP Central Committee have led to an increase in the responsibility of the economic organizations as socialist goods producers for satisfying consumers' requirements in the home and foreign markets, the decree emphasizes./

A considerable amount of work has been completed in the period following the 1984 National Party Conference on Quality in order to uncover the existing reserves for raising the technical standard of production. The quality of certain products of importance for the national economy and for export has improved. However, the results achieved do not correspond to the tasks set in the congress decisions and in the party's Long-term Program for Improving Quality. The principal reason for this is that no radical change has occurred in carrying out on a broad scale the tasks mapped out by the National Party Conference. The economic leaderships and labor collectives are being slow in reorganizing their work to improve quality in the spirit and according to the requirements of the party decisions. Serious breaches of technological and production discipline are being permitted. The level of metrological provision is unsatisfactory, and quality control and responsibility for quality are at a low level. The social organs and organizations are not working persistently and consistently enough to involve all the workers in the campaign for high quality. Taking account of these circumstances, /the Politburo of the BCP Central Committee and the Council of Ministers of the People's Republic of Bulgaria have adopted a decision on the introduction of state inspection of production./

The introduction of state inspection of production as a decisive measure to further improve quality requires that the self-managing economic organizations develop a new approach toward all the conditions and factors on which quality improvement depends. The basis for implementing this new approach must be the strengthening of discipline everywhere, the accelerated renewal of products, and the synthesis of electronics with industrial technologies for production and control of production parameters.

/What are the basic requirements that the BCP Central Committee and the Council of Ministers have set in order to create conditions for the introduction and efficient functioning of state inspection of production?/

/On Creating an Efficient System for State Inspection of Production

State inspection of production is regarded as a basic obligation for all leaders of self-managing economic organizations. It is the duty of the party organizations on the spot to create the required psychological climate and uncompromisingly promote its introduction.

/State inspection of production should not be established as a form of inter-relationship between the state and the economic organizations to ensure quality under the conditions of socialist self-management./ Its main task is to prevent the production and marketing of low-quality products and to act on the self-managing economic organizations to bring about a radical change in their attitude and approach toward problems of quality in the processes of development, putting into regular production, production, and operation (consumption).

Guidance on the efficient functioning of state inspection will be provided by the Committee on Quality.

The state inspection organs must implement strict control /at the "point of entry"/ to the self-managing economic organizations (with regard to the condition of the technical documentation, the technological preparation for production, and the quality of the incoming raw and other materials, component parts, and packaging), and /at the "point of exit"/ (ensuring that the finished products meet the specified quality requirements.)

How will the inspection by the state be carried out? It will be performed by /state inspectors/--employees of the Committee for Quality with permanent places of work in the relevant self-managing economic organizations. Politically mature, principled, and efficient cadres with high professional qualifications, who possess authority among the labor collectives, will be recruited into the state inspection system.

It is envisaged that the state inspectors /will assess the quality of the following types of products according to appropriate criteria:/

/Products intended for export,/ based on mutually agreed technical specifications, testing methods, standardization documents, technical documentation, specimens and samples, as provided for in the delivery contracts.

/Products for domestic consumption,/ based on the standards, norms, technical documentation, and testing methods agreed with the Committee on Quality.

The decree binds these cadres to accept only those products that meet the established quality requirements. The state inspectors will bear disciplinary, property, and penal responsibility in accordance with the normative documents if they accept products below the prescribed quality.

The chairman of the Committee on Quality is instructed to approve an order concerning the state inspection of production, and the Committee on Quality and the Committee on Prices, by agreement with the Ministry of Finances and the Ministry of Trade, are instructed to further improve the system of state assessment and stimulation of production, by linking it with the results of the state inspection.

The decree determines that the products subject to state inspection are those which are /of great importance for export, for use in production, and for personal consumption within the country, as well as the main raw materials, other materials, intermediate products, units, assemblies, and packaging associated with the former./

/Systems of standards,/ fully corresponding to the technological chains covered by the balance of technological links, are to be drawn up for the end products which are subject to state inspection under the decree. The state plan and the plans of the self-managing economic organizations are to ensure conditions for establishing the technical and economic standards laid down for the technologies that make up the relevant technological chains.

The Committee on Quality is instructed, with the assistance of the State Committee for Research and Technology, to set up a quality information center (as a unit of the national system for scientific and technical information) before the end of the year. It is also instructed, over a longer period, to introduce an automated "Quality" information system for the production covered by the state inspection.

The Committee on Quality and the economic trusts are set the important task of ensuring, in their annual standardization plans, the unification of Bulgarian standards with those of the Soviet Union and the other socialist countries, with view to standardizing the quality requirements and testing methods for the production that forms part of the mutual exchange of goods.

The decree specifically stresses the following: /Responsibility for the quality of production for which state inspection has been introduced is borne by every producer and every consumer in the reproduction process, in accordance with the Code for Economic Activity./

Naturally, /new requirements for the work of the self-managing economic organizations/ arise in the preparations for the introduction and functioning of the state inspection.

--/The contracts and technical documentation for the products subject to state inspection/ are to be brought into conformity with the requirements laid down under the regulations.

--The necessary /repair and restoration work on production machinery, installations, tooling, and control and measuring apparatus/ is to be carried out, /in order to guarantee the prescribed precision of the technological processes./

--/Measuring, testing, and control apparatus, including the apparatus for carrying out activities for the state inspection of production,/ are to be provided of the required types, range, and level of accuracy in accordance with the technical documentation.

--/The organization of production/ is to be brought into conformity with the requirements to ensure stable quality.

--/The technical production control for state inspection/ is to be organized in accordance with the prescribed technology for control, testing, and presentation for inspection.

--/The necessary organizational, technical, and working conditions are to be provided for carrying out the state inspection./

The Committee on Quality is instructed to exercise control and provide assistance to the self-managing economic organizations in carrying out the preparations. Furthermore, the technological and scientific-technical centers, the organizations for research and technologies, and the institutes of the academies and higher educational establishments must involve themselves most actively in this process.

The tasks of the self-managing economic organizations will involve much greater responsibility /when the state inspection of production is functioning./

They must only present for inspection products that meet the quality requirements laid down and that have been inspected and tested by the technical control organs. Production will be presented according to a schedule approved by the leader of the self-managing economic organization and the relevant state inspection leader.

--They must provide the state inspection organs in good time with information on any changes that have been made in the contracts, technical documentation, production and control technologies, or in other documents.

--The leaders of the self-managing economic organizations and the relevant state inspection leaders are obliged to jointly resolve any problems regarding quality that arise in the course of the inspection.

--It is the obligation of the trading sections of the self-managing economic organizations to inform the relevant technological and production divisions and the state inspectors in good time of problems regarding product quality during the marketing and servicing of the products and of the consumers' demands.

--Under the new conditions, the self-managing economic organizations must set up and maintain banks [fondove] of market and scientific-technical information, which is to be used in developing new products and technologies and in evaluating the quality of the products manufactured by them. The Central Institute



for Scientific and Technical Information, the Center for Foreign Trade and International Market Conditions, and the Quality Information Center are to render continuous assistance to the organizations in setting up these banks.

An important new feature is that enterprises and economic trusts must ensure in their technological projects for reconstruction, modernization, and new construction that the production equipment and the control and measuring apparatus conforms to the quality requirements for the production intended to be manufactured, otherwise the banks will refuse to provide credits for executing the projects./

The self-managing economic organizations are also obliged to speed up the mastering of new technological processes in the manufacture of products subject to state inspection. The aim of the annual revisions to the state plan for the Ninth 5-Year Plan period must be to develop capacities for the production of specialized technological equipment, technological apparatus, and tooling in order to achieve the specified production quality indices.

It is envisaged that the technological centers and organizations for research and technologies should introduce by stages automated designing of new products intended to be subject to state inspection and of the technological processes for their manufacture. In the electronics, robotics, and integrated automation sector, this begin to be implemented before 1990, and in the other organizations before 1993.

It is of great importance for the complete and accurate determination of the quality of production that is subject to state inspection that every worker, work team, section, and workshop should use incoming goods control to inspect, in accordance with the prescribed technology, the materials sets of components (including packaging), intermediate products, parts, assemblies, and finished products supplied from the preceding units in the production process./

The decree also includes the provision that the self-managing economic organizations subject to state inspection of their production are to introduce individual marking/ by 30 September 1987, in order to make the individual workers and work teams responsible for the work they carry out.

The procedure for carrying out acceptance and hand-over inspections and for exerting economic pressure to ensure quality in the self-managing economic organizations will be determined by the collective labor agreement and the internal regulations for the team organization of labor, work team economic accountability, and setting of the working wage.

/The decree pays special attention to the requirement for a new approach in setting up the metrological base./

It is recommended that the self-managing economic organizations and enterprises take immediate specific measures in this connection.

Clear tasks are set for the Economic Council under the Council of Ministers, the State Committee for Research and Technology, and the Committee on Quality



in connection with the creation of /programs for developing the production of control and measuring equipment/ and with the further automation of measurement and testing.

The "Information and Communications Systems" Economic Trust, "Microprocessor Equipment" Economic Trust, "Integrated Automation of Technological Processes" Economic Trust, "Elektron" Economic Trust, "Metalkhim" Economic Trust, electronics applications centers, laboratories, scientific units, higher educational establishments, academy institutes, special-purpose collectives, and other bodies also have their own obligations.

An opportunity is provided for the State Committee for Research and Technology to announce annual /competitions for mastering and production/ of electronic apparatus and equipment for automated control of technological processes.

One important feature is that the self-managing economic organizations must create within 1 year /small and medium-sized enterprises and joint enterprises/ with other countries and foreign firms for the production and maintenance of specialized control and measuring equipment.

/Economic levers/ are being brought into effect: The commercial banks may grant credits under especially favorable conditions; apparatus for measurement, testing, and control produced and sold in Bulgaria is freed from profit tax (or sales tax), etc., until 1990.

By the end of 1990, the Committee on Quality is to ensure /the creation of standards for units of physical values and standard specimens/ for the composition and properties of substances and materials used in taking measurements in the production of products destined for export. By the end of 1990, the committee is also to bring the material-technical facilities of the metrological laboratories in the okrug quality centers into complete conformity with the requirements of production and state inspection in the relevant territories. Provision is made for the necessary resources to be allocated.

The introduction of state inspection requires considerable work to be carried out /regarding political and cadre provisions./

There is no doubt that the party organs and organizations will be the first bodies to render /comprehensive political support for state inspection of production and social protection of the cadres which are carrying out their functions in a principled and uncompromising manner./ This is their duty. The party organs and organizations and the leaders of the economic organizations are also obliged to actively assist the Committee on Quality in the selection of the state inspectors.

The decree provides the leaderships of the self-managing economic organizations, with methodological assistance from the Committee on Quality (and with the help of the scientific and technical associations, factory quality laboratories, and trade union organs), to organize /continuous instruction, training, and requalification of the specialists and executive cadres for work under the conditions of state inspection of production./ Where new technological processes are

being introduced or new products are being mastered, requalification of cadres must be carried out as a stage in the preparations for the new type of production.

The Committee on Quality is to implement /systematic training of the state inspectors/ in modern methods of production control and inspection in accordance with the task set. Jointly with the committee for Labor and Social Work, the Academy for Social Sciences Management of the BCP Central Committee, and the Central Council for Scientific and Technical Unions, the committee is also to organize a system for training the leading cadres in problems of quality, following the methods established in the most advanced countries that suit Bulgarian conditions.

The Council of Ministers has approved a list of names for products and a list of the enterprises in which state inspection has to be introduced in the period from 1 July to 30 December 1987.

The party organs and organizations, together with the trade union and Komsomol organs and organizations and the Scientific and Technical Unions, are given the task of organizing /broadly based work on explaining state inspection to the labor collectives/ and of creating an /atmosphere of social intolerance toward those who produce low-quality products./

An important task that it is recommended the mass media take up is to /give wide publicity to the experience of the labor collectives in ensuring a high standard of preparation and to the results of the state inspection of production, and to subject those who produce low-quality articles to sharp criticism./

The district and municipal BCP committees are instructed to increase party control and severity and render full assistance to the Committee on Quality and the self-managing economic organizations in the preparations for and functioning of the state inspection. The party committees and primary party organizations will give specific instructions to and call to strict account those communists who fail to fulfill well and in a timely manner the tasks relating to state inspection of production, display conservative attitudes, and fail to reorganize their style and methods of work in the spirit of the decisions of the 13th BCP Congress and the December 1986 Plenum of the BCP Central Committee.

/In the decree, the BCP Central Committee and the Council of Ministers call on the party, trade union, and Komsomol organs and organizations and all workers to put their efforts, creativity, and energies into successfully implementing state inspection of production in the conditions of socialist self-management. Confidence is expressed that the campaign for high quality--a decisive factor for the further intensive development of the economy and for raising the living standard of the workers--will become a nationwide cause./

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CSO: 2200/112

## TRADE UNION PLENUM ON RESTRUCTURING

AU170834 Sofia TRUD in Bulgaria 6 Jun 87 p 1

["Decision of the 5 June 1987 Second Plenum of the Central Council of the Bulgarian Trade Unions" on reorganizing the trade union structure]

[Text] The Second Plenum of the Central Council of the Bulgarian Trade Unions [BTU] is of the opinion that extensive work must immediately begin to implement the comprehensive and firmly grounded concept on restructuring the trade unions that was developed at the 10th BTU Congress.

The Plenum of the BTU Central Council finds that the approach proposed in the statement of the chairman of the BTU Central Council "On Practical Work for Restructuring the Bulgarian Trade Unions" fully corresponds to the congress decisions and can serve as direct guidelines for all trade union organs and organizations, both in the essential restructuring of their activity and in forming the new structures.

1. Meetings of the primary trade union organizations are to be conducted. In these, the decisions of the 10th BTU Congress are to be clarified, immediate tasks related to their practical implementation adopted, and delegates are to be elected for the delegates' meetings of the basic trade union organizations according to norms determined by the relevant trade union committees.

General or delegates' meetings of the basic trade union organizations are to be conducted. In these, work programs related to the congress decisions are to be adopted and delegates to the appropriate trade union organs are to be elected.

In the same manner, general basic organizations are also to be formed in the municipal and district units, in the education system, and in the fields of culture, health protection, and so forth, according to the trade union statute.

The meetings of the primary and basic trade union organizations must be an integral part of the measures which are to be put into effect in implementing the economic tasks.

2. The following trade union federations are to be formed by 30 July:

--Federation of the Trade Union Organizations of Agriculture and Food Industry workers;

- Federation of the Trade Union Organizations of Machine Building Workers;
- Federation of the Trade Union Organizations of Electronics Workers;
- Federation of the Trade Unions of Biotechnological and Chemical Industry workers;
- Federation of the Trade Union Organizations of Construction and Building Industry Workers;
- Federation of Trade Union Organizations of Construction and Building Industry Workers;
- Federation of the Trade Union Organizations of Transportation Workers;
- Federation of the Trade Union Organizations of Communications Workers;
- Federation of the Trade Union Organizations of the Energy-Raw Materials Complex Workers;
- Federation of the Trade Union Organizations of Forest and Lumber Industry Workers;
- Federation of the Trade Union Organizations of Light Industry Workers;

3. The organizational-structural restructuring of the Trade Union of Trade and Public Services Workers; the Trade Union of Health Workers; the Trade Union of Government and Public Organizations Workers; the Trade Union of Printing Industry and Cultural Institutes Workers; and the Union of Bulgarian Teachers is to take place at the same time that these areas are adapted to the principles of self-management and the new economic structures are formed. The Bureau of the BTU Central Council must adopt a decision on the organizational-structural restructuring of these trade unions.

4. The Central Committees of the branch trade unions, the okrug trade union councils, and the trade union councils of the economic trusts must determine the number of delegates from the basic trade union organizations to the leading organs of the federations (unions), to the conferences, federal councils, and auditing commissions, as well as to the okrug trade union councils and those of the economic trusts.

5. The BTU Municipal (district) councils must determine the number of delegates from the basic organizations to the municipal (district) councils of the trade unions and the auditing commissions.

6. The basic trade union organizations in the areas which comprise the trade union federations must adopt a decision at their general or delegates meetings to join the appropriate federations and elect delegates to all their organs-- the okrug trade union councils, the trade union councils of the economic trusts, and the federal conferences, or directly to the federal council.



7. At their general or delegates meetings, the basic trade organizations in which the trade union federations will later be established, must elect their delegates only to the okrug trade union councils or to the trade union councils of the appropriate economic trusts.

8. At their general or delegates meetings, all basic trade union organizations must elect delegates who will establish the municipal (district) councils of the BTU.

9. The way in which the system of training trade union cadres and activists functions is to be reevaluated in order to create conditions for decisively increasing the level of their training, and primarily for the urgent and comprehensive training of the chairmen of the trade union committees in accordance with the new issues of the BTU restructuring and functions.

The plenum draws the attention of the trade union organs and organizations to the importance of fully linking the practical work of restructuring with solving the problems which have emerged in implementing the economic tasks, state plan, and contracts, and directing their efforts and organizational work to revealing and activating new reserves and fully mobilizing the collectives and working people to successfully implement the 1987 plan. At the same time, the trade union organs and organizations must actively prepare to transfer socialist property to the labor collectives for management and control.

The BTU Central Council.

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## INTERNATIONAL INDUSTRIAL PROPERTY SYMPOSIUM

AU091726 Sofia BTA in English 1214 GMT 9 Jun 87

[Text] Sofia, 9 June (BTA)--An international symposium "Protection of Industrial Property and Promotion of Economic Relations" started here today. It is attended by 180 directors of lawyers' patent bureaus and companies, economists, experts, from 53 countries. The symposium is organized by the Bulgarian national group with the International Association for Protection of Industrial Property (AIPPI), the Bulgarian Chamber of Commerce and Industry, the State Committee for Research and Technologies.

The purpose of the symposium, which is held for the first time in socialist country, is to acquaint the representatives of the foreign business circles with the economic and legal guarantees secured by Bulgaria in cases of economic cooperation, transfer of technologies, industrial cooperation, establishment of joint enterprises. The results of the symposium are expected to cooperate and assist in the improvement and innovation of the legislation in the sphere of protection of industrial property.

Bulgaria fully supports the efforts of the International Association for Protection of Industrial Property (the symposium is held under its auspices), and the efforts of the World Organization for Intellectual property, for elimination of the obstacles on the way of improvement of the system for international protection of industrial property.

There will be also several subthemes for discussions: industrial property rights and the different forms of industrial cooperation, violations of industrial property rights and legal protection of industrial property in the new technological spheres, new trends in industrial cooperation.

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## BRIEFS

**ZAREV AT CEMA SESSION**--On 6 June Kiril Zarev, deputy chairman of the Council of Ministers and Bulgaria's permanent representative to CEMA, returned from Moscow, where he took part in the 123th session of CEMA's Executive Committee. [Text] [Sofia RABOTNICHESKO DELO in Bulgarian 7 Jun 87 p 2] AU /12232

**ZHIVKOV RECEIVES INDIAN SCIENTIST**--Sofia, 19 June (BTA)--State Council President Todor Zhivkov received today Professor Dr Asima Chatterji, [spelling of name as received] a world-famous specialist in organic chemistry. Dr Chatterji is currently here at the invitation of the Committee of the Bulgarian Women's Movement. In their friendly discussion, the Bulgarian president and the Indian scientist commended the traditional friendship between the two countries and the excellent prospects for their cooperation in different fields. The Bulgarian head of state thanked Dr Chatterji for her desire to share her knowledge with her Bulgarian colleagues. This will help further strengthen the two countries' scientific cooperation. Prof Dr Asima Chatterji expressed her satisfaction with her stay in Bulgaria and with the achievements of the Bulgarian scientists in the fields of phytochemistry and organic chemistry. [Text] [Sofia BTA in English 1134 GMT 19 Jun 87 AU] /12232

**ASSEMBLY COMMISSION SESSION**--On 19 June the National Assembly Permanent Commission on Socioeconomic Development organized an impromptu receiving hour on problems related to implementing the Ninth 5-Year Plan and the concrete processes for putting a new qualitative growth of the economy into effect. Grisha Filipov, chairman of the Commission on Socioeconomic Development, and People's Representative Ivan Panev received and heard representatives and leaders of labor collectives and self-managing economic organizations. The issues which were raised were related mostly to cadres' qualifications, studying consumer needs, and using capacities under conditions of the new technological renewal. It was pointed out that the self-managing economic organizations must organize their activity with greater initiative and introduce new lines of production, according to the needs for production sharing and independent marketing policy. [Text] [Sofia Domestic Service in Bulgaria 1930 GMT 19 Jun 87 AU] /12232

**INDIAN SCIENTIST COMPLETES VISIT**--Sofia, 20 June (BTA)--Professor Dr Asima Chatterji, member of the Rajya Sabha of the Indian Parliament visited Bulgaria at the invitation of the Committee of the Indian [as received] Women's Movement. Prof Chatterji was received by State Council President Todor Zhivkov. The meeting was attended by Mrs Elena Lagadinova, chairman of the Committee of the Bulgarian Women's Movement and member of the State Council. The guest visited a number of economic and cultural projects. [Text] [Sofia BTA in English 1602 GMT 20 Jun 87] /12232

FISHING ASSOCIATION WITH ARGENTINA--Sofia, 23 June (BTA)--A Bulgaro-Argentine fishing association has been set up in keeping with an intergovernmental agreement on fishing by Bulgarian trawlers in Argentina's 200-mile exclusive economic zone. Several Bulgarian ocean-going trawlers will soon start fishing in Argentine waters. Under the agreement, after 1 year of trial operation, the parties will have the right to amend the treaty. Bulgaro-Argentine fishing Teams are also expected to be formed. [Text] [Sofia BTA in English 0718 GMT 23 Jun 87 AU] /12232

CS0: 2200/112

## BULLYING, BLACKMAIL BY JUVENILES CONDEMNED

Prague ZEMEDLSKE NOVINY in Czech 10 Feb 87 p 2

[Article by (es): "Resolutely Against Blackmail"]

[Several young aggressors appeared in recent months in court as defendants charged with serious violations of laws. Thus, for instance, a 16-year old apprentice was sentenced to 2 years of imprisonment without probation and his 17-year old companion to 18 months of imprisonment without probation. The court hearings proved that on several occasions the two had attacked a schoolmate, threatened to beat him up and forced him to give them money. By threats of violence they compelled another boy to do the cleaning of the workshop for them. With two other schoolmates they literally terrorized the whole class.

Our criminal law does not tolerate such excesses. A person who uses violence or threats to take possession of another person's property may be prosecuted for robbery and incarcerated for a term of up to 10 years. An individual who by threats of force or other serious harm forces another individual to do something or to avoid doing something, or who inflicts suffering on another individual, is guilty of extortion and subject to imprisonment for up to 3 years.

Pursuant to these and other laws, individuals who in schools, training institutes or at liberty apply various forms of force to harass or torment their younger and weaker schoolmates or fellow members of armed forces are subject to prosecution. In more serious cases they may receive sentences without probation.

Thus, for example, three apprentices from a training school for construction trades in Prague were sentenced to imprisonment without probation for terms from 2 to 3 1/2 years. The three had harassed their schoolmates in various ways. They tied up an apprentice, covered his head with a plastic bag and threw the boy out of the window of a trailer. Only then one of the culprits burned out a hole in the plastic bag to prevent his fellow apprentice from suffocating. On other occasions the three beat up the same apprentice.

Recently four students of a special vocational school near Decin were sentenced for extortion of cash and cigarettes by threats of force and for

compelling their schoolmates to perform various acts degrading their human dignity. Furthermore, two apprentices in the Plzen are were punished by the court for demanding money from their younger shcoolmates whom they threatened with violence.

Cases of harassment in our armed forces are also subject to severe punishment. The military court sentenced a group of young felons to prison for terms from 5 months up to one year because they had forced rookies to clean barracks for soldiers in the second year of service, or to bring the "old hands" their supper and perform other services.

Roughly 400,000 boys and girls are being trained in secondary vocational schools for their future jobs. In their majority, these young people are of decent, moral character. Nevertheless, some of them do act in contradiction to the standards of socialist coexistence, as confirmed by various cases of violence, rowdyism, vandalism and last but not least, by the harassment of younger students by their older schoolmates and of the weaker individuals by the stronger ones. We cannot let these negative phenomena continue; we must take drastic measures against them.

Experts maintain that the profile of young extortionists is most often characterized by aggressive tendencies, emotional emptiness and poor self-confidence. For the lack of trust in their own abilities they compensate by impudence, arrogance, rudeness and ruthlessness against their weaker schoolmates and often enough against their whole government.

The roots of such deviations may be found in the decline of family. Many fathers and mothers are trying to bring up their children by lecturing and prompting them. However, no matter how well intended their words may be, they are all in vain if not accompanied by personal example. The parents' attitude and actions are the point of departure from which youngsters proceed when establishing their own category of values.

If the boys and girls are growing in a family environment where petty theft and deceit are acceptable sources of profit, then their parents must not be surprised if the children accept no restraints even in the vocational school. And if the husband abuses the wife, his children also adopt the prerogative of the stronger and consider it natural.

Where the children's upbringing in the family has failed, the school and vocational training institute often cannot undo that failure. No hackneyed pontification and irrelevant arguments can correct wrong attitudes of the youngsters. However, we may note some other shortcomings. The investigation of one of the cases mentioned above revealed that the incident had occurred during the hands-on training in the factory when the foreman had not shown up all day.

As a rule, extortionists are a small group, yet their threats hold in thrall whole classes or other young people's groups of considerable number. If most apprentices would stand up to a man against their harassment and if the targets of the attack could rely on the aid of their schoolmates, the culprits would be powerless against the majority.



Nevertheless, scores of young men accept harassment and occasionally even robbery committed by a few hoodlums because they cannot muster enough courage to oppose them. It seems that the solidarity of the decent people is less effective and dependable than the fraternity of rogues. However, let us point out that victims of harassment do not have to rely on the tender mercies of the felons. There are educators in every training institutes and foremen in every workshop of vocational training. Organizations of the SAM [Socialist Youth League] operate in every facility for apprentices. If the youngster turns to that organization, illegal activities will be investigated and the guilty parties will not go unpunished.

Yet some victims of harassment are not really willing to get personally involved in investigations of blackmail. Naturally, then they forfeit the right to complain because by their silence and indifference they condone the harassment, show their solidarity with the rogues and in fact, become their silent partners. On the other hand, one must not overlook the responsibility on the part of the educators and instructors. The cases of revealed extortion confirm the gaps in the effect of education.

Any harassment of the younger students by their older schoolmates and of the weaker individuals by their stronger partners is immoral, inhuman and harmful. Our society cannot tolerate it and must uncompromisingly fight against it with the help of all honest people.

9004/9190  
CSO: 2400/250

## LACK OF POLITICAL SOPHISTICATION AMONG YOUNG DECRIED

Bratislava PRAVDA in Slovak 19 Feb 87 p 3

[Article by Maria Durisova: "What Is To Be Done About Political Naivete Among Youth?"]

[Text] We would be kidding ourselves to deny that some of us, even unfortunately some young people, view everything around them only in terms of their own self interest. In many instances they are mesmerized by the false glitter of capitalist society.

There is no problem encountering them. They get excited about loud music, extravagant singers, and fancy cars. Frequently there is no other way to describe their behavior than political naivete. Under no circumstances, moreover, should we underestimate this behavior, especially since attempts by bourgeois propaganda to disorient our young people have not been unheard of.

We frequently respond to this situation by closing our eyes and blocking our ears. Come on, we are supposed to be raising our youth in the spirit of socialist patriotism and proletarian internationalism.!

About a year ago I discussed patriotism and internationalism with some students of the Secondary Professional Training center for Chemistry on Skalicka Way in Bratislava.

Unfortunately, without the assistance of their teachers these students could not deal with these concepts. Naturally it is more than a matter of young people mastering these principles in theory, they must also internalize them as their own convictions, and conduct themselves accordingly. When, however, a student at a secondary professional school tells you that internationalism is a concept "I think that I encountered in some song" it at a minimum makes you stop and think. This same student will undoubtedly have a full grasp of the latest types of cars and hit songs, as well as a good knowledge of the latest fads. ..

Here it makes sense to cite the words of Jaroslav Jeneral, chairman of the Central Committee of the Socialist Youth League, at the 17th CPCZ Congress: "We are well aware that our presentation must be more convincing

that we must do a better job of explaining the circumstances that put us where we are today, so that our young people may orient themselves properly. We need to separate the chaff of bourgeois propaganda from the wheat of marxism-leninism so that we can make a positive contribution to strengthen a broad front of progressive forces in the struggle for peace, communal and social progress.

What we have here is political naivete in a part of our youth. How is this possible? We have educated them politically, after all! What this means is that this political education is not equally persuasive and effective in all areas.

Recently I have been studying education in the Socialist Youth League at several organizations. In the opinions of these young people this education does not react flexibly enough to differences in opinion, does not adapt well enough to changes in their own awareness brought about by increasing education levels, cultural awareness and access to information. And at the secondary and professional school level? It is only a sort of extension of their school lessons. We somehow do not have the time (or the interest?) in informal discussions, but at the same time we are surprised that part of our youth does not properly comprehend the changes taking place in the contemporary world, does not understand who is saying what and in whose interest. This is even before one gets to concepts such as patriotism and internationalism.

I am not asserting that we have no patriots or internationalists who turn their convictions into deeds. On the contrary. There are more of them than of those to whom the concepts of internationalism and patriotism are foreign. This is shown by work performance, by the participation of youth in construction projects, and in international youth comprehensive rationalization teams. These other ones, however, cannot be indifferent to us. As elsewhere, even though it is doubly true of education for internationalism and patriotism, only informal education brings results.

There are such possibilities. At the elementary level there are rooms and corners of rooms devoted to revolutionary traditions. There are international friendship clubs, international pioneer camps, and information exchanges among schools in other socialist countries. For older students there are exchange programs, foreign trip exchanges, excursions, mutual encounters with young people from other countries. These programs meet their objective, however, only when they are not limited only to the official speeches, when we allow time for conversations, discussions about life, about what interests young people.

The same is true, for instance, of rooms of revolutionary traditions. Many schools are "proud" of them, but only in front of "special visitors". At other times they are locked and children tiptoe by them. Used in this way these rooms perform only an exhibiting, not an educational function. How can one speak of informality under such conditions. It should come as no surprise that children and young people turn their attention in other directions.

We will cite once more the words of Jarsoslav Jeneral at the 17th Congress. He emphasized that success is achieved only when "we put ideological subject matter in an attractive form, and when young men and women come into contact with people who have something to say to their life experience."

9276/9190

CSO: 2400/257

## LACK OF ESTHETIC SOPHISTICATION AMONG YOUNG DEPLORED

Prague TVORBA in Czech 1 Apr 87 p 3

[Article by Jan Votruba: "Youth Contra Theory"]

[Text] Theoretical thinking as an adventure in learning is germane to young people; it is no coincidence that discoveries in mathematics or new trends in arts were achieved by young individuals. But how is it now? We shall discuss only one part of our young artists, but their problems are decidedly not partial...

Some time ago Prof Jan Cisar of DAMU [Academy of Fine arts] wrote in TVORBA that young people involved in dramatic arts lacked more defined self-reflexion and more precise theoretical ideas. A music professor voiced another view, smiling bitterly: "Music stands are not available at all--but what good would they be anyway? Facing their 14-year old rock music fans, our young musicians do not need to read music to achieve commercial success." Indeed--these pubescent individuals applaud the eccentric apparel and the rhythmic twitching of their idols more than their music. This has been confirmed by the singer Petra Janu who complained in RUDE PRAVO that the audiences are getting increasingly younger and their perception increasingly superficial. They are more impressed by the decibels than by the meaning of the lyrics, if any. The theoretical musical and cultural-political horizons of many candidates interested in professional career are extremely limited...

Another educator expressed the following opinion: "After the war in the fifth grade of secondary school we used the Kotrc-Kotalik textbook of Czech literature. Recently I copied from it one sentence stating that [poet] Otokar Brezina as sensitive and a visionary, and I submitted it to 12 sophomores in teachers college. Only four of them could correctly explain that statement. Five were confused and could only guess the meaning of those words, and three simply gave up. One was suspicious that the characterization was pejorative, and his colleague mistook the word "visionary" for "missionary."

It seems that we are beginning to gather a poor harvest grown on the meager, undernourished soil of our elementary and secondary schools which have been deprived of esthetic education in the name of polytechnical studies. Our ersatz civilization can replace cotton with nylon and one's



own voice with a tape, but it can also address a friend as "you jackass, you" instead of calling him by his given name. The easy access to culture in socialism resulted in a differentiation of popular needs, interests and tastes. (Indeed: the term "popular taste" of the past is now used in the plural.)

There is an increasing demand for clothing of various materials and cuts, and for various kinds of music and drama, and also for their combinations which resemble a melange of diverse flavors and colors. No longer can one say that our era and our generation have a specific style; there is a multitude of styles--every individual has his or her own. If the style is the hallmark of any individually, then the lack of taste and style is its true collective noun. It is a very collective noun--or rather a synonym--of the so called mass culture, that artificial (and art-less) mush fed by many parents to children barely weaned from formula...

No wonder that contemporary young artists have abridged the complex terminology of the theory of culture and esthetics. I would not say that theory has been liberated, because simplification leading to absurdity is the exact opposite of liberation from interesting speculations and superciliousness. We can see that many young people simply cannot be bothered with such concepts as order, form, composition, or metaphor. Such terms as "contents" and "form" have not been mentioned once in public discussions during the youth drama festival in Budejovice last November. Could it be that they are antiquated? The same applies to the concepts of folklore, partisanship and truth in life and art. All that was allegedly replaced by two other concepts--"theme" and "expression." Alas, if four individuals do the same thing, it is not the same thing--and thus, one of the participants in the discussion understood the concept of "theme" as topic, another as subject, the third as motive, and the fourth as idea. Each of them spoke about something different, but that did not bother anybody because nobody realized that fact. Superficial approximation is like a stream stained with oily spots that change their shape, color and substance.

Offense is the best defense and therefore, some young non-theoreticians and non-experts sporting a condescending smirk rolled up their shirt sleeves--like fighters against the theoretization of the old martinets (and against such conventions as neckties) and transformed their own theoretical deprivation into a virtue of their generation: all they care about is the actual result, their audience and their success. Such a pragmatic approach to artistic career hardly needs to worry about theory. What about Cisar's book "The Metamorphosis of Language in Theater"? A young actor chimed up as his colleagues nodded in agreement: "I've read a couple of pages and it was all about subsystems... I don't have time for such things." Nonetheless, a moment later he quoted with godlike assurance Cisar's term "non-interpretative acting" to justify his reluctance (or his inability?) to create a viable personality from the letter of the playwright's text. In other words, it was an example of semi-literacy, the worst of hybrids: it puts on a folksy face but it usurps for itself the prerogative of acting as an art expert to patronize

the folks... Without the necessary theoretical and ideological self-control this may grow into a soulless pseudo-art, a twin of technocracy. Both are represented by an expert who regards philosophy as futile prattle. Of course, in 1987 that type of expert is a hopeless anachronism because in today's world the integrity of social sciences and the consciousness of experts are already matter-of-fact preconditions of experts' professionalism. However, an absurd dichotomy is still vegetating free of care in many localities in our country; on the one hand, there is the reality of the fifth generation of computers with artificial intelligence and on the other, a young artist boastfully proclaiming the cult of the so called "horse sense"--not as programmed compensation for the lopsided technicalism but because of his reluctance to come to grips with it in terms of philosophy and drama. And yet exactly 25 years ago the following was said in a debate about drama: "Every artist must be at the same time also a mature theoretician of his art. A naive, unrestrained artist who is a talented and intuitive improviser is, in my opinion, a completely outdated phenomenon. To think like a philosopher and to put on the pose of a genius, those are two mutually exclusive processes." After a quarter of a century later some young people demonstrate this as *prima facie* evidence.

Let us be absolutely frank: did these young people have sufficient opportunity to learn theoretical concepts, perhaps in history classes which teachers often run more as indoctrination than school. (Let us take, for instance, a chapter on imperialism in the textbook for the seventh grade, which is peppered with abstract theories and such terms as opportunism, workers' aristocracy, revisionism--but with no actualization, without any examples, references and selections from fiction or non-fiction. I there a teacher so deeply interested in politics as to be able to make the words in the textbook come alive by relating them to newspaper reports about imperialism?) Many students of art institutes cram the basic of Marxism-Leninism in haste in order to get credit for the course... Could our youngsters acquire mature knowledge of theory in discussions with educators? Of course, but how many of them are willing to get involved in debates, to face the protests and arguments of the young generation, and perhaps to admit: "I don't know"? Or should our young people expand their knowledge of theory by diligently perusing reviews in newspapers? That is hardly possible in a situation where an anxious editor deletes the reviewer's words "andante" and "staccato" saying that "nobody understands anymore what they mean, and all you would accomplish is to confuse people..." How is the publishing of periodicals dealing with theory and their availability at the PNS [Postal News Service] newsstands? Until recently AMATERSKA SCENA [Amateur Stage] carried the flag of theory of drama.

What is to be done when all of us are re-reading the quotation from Marx that "a good theory is the most useful thing in the world"? Mikhail Gorbachev declared that theory and praxis must form a partnership to restructure society. However, many young graduates of art schools are unable to even classify their field and their concept of art in a broader context of the social development and their actual role in it. A young actor defended himself against the charge that actors are treating the

Czech language unkindly: "So what? Why should I be the guardian of the Czech language on the stage when anyone who can howl idiotic lyrics has it made?" A singer of political songs replied to the objection that nobody could understand him and thus, that the political message of his song was lost: "Nobody can make any sense of what rock music is all about and yet the kids eat it all up." Thus, we are dealing with young individuals deficient in esthetic sophistication (although precisely they should be making their own contribution to art education of their contemporaries) but instead, they are all rocked up and rolled down. For some of them the fashions and bad habits of rock music serve as a universal yardstick of values and license. Though it may not seem so, the bottom line is not a program to obliterate the borderline between artistic areas and styles but rather weakened realization of the order, law and role of one's particular field in current esthetic and cultural-political interrelations.

This has been confirmed by the alarmingly tolerant attitude of our young people toward ugliness and by their defense of loud music (or rather cacophony) and vulgar language. A study in depth should investigate the significance of such manifestations of crassness and spastic posturing in art. Certain dissatisfaction not only with the world situation and its global endangerment but also with their own helplessness in trying to make any sense of it and in locating that Pythagorean firm spot from which one can move the world turned ugliness into a form of aggression against power and against one's own impotence. A 23-year old actor said that "the world today deserves nothing better or more beautiful." The fact is that young people are using their own devices to protect themselves against negative external influences: they counteract the disharmonious clanking of outdated machinery in industry by their multi-decibel pandemonium, the ecological disorder by their spiteful attire combining bedroom slippers with US Army fatigues plus a torn T-shirt over a tuxedo, or the quite tiresome obsession with burlap rags saturated with the dust of the theater. Of course, ugliness as the sons' emotional protest cannot be remedied by the search for new adornments to decorate the fathers' old stereotypes but by finding truth which itself will choose its new form.

Here we are at the heart of the matter: rather than a symptom of obfuscation, the provocative vulgarity and vague style are an expression of esthetically shallow moral and cultural-political values. The more some of our young people reduce their art to a mere esthetic function, the less esthetic the effect will be. As a matter of fact, [F.X.] Salda once said that every new beauty may be aggressive, harsh and unflattering--but it is BEAUTY just the same! Moreover, he wrote: "Art must cultivate the common folks, and not vulgarize culture!" It is therefore a disturbingly pompous act when young dabblers in art cast doubts not only on the educational but also on the spiritually sanitary function of art. By the same token, sociological survey of children and teenagers revealed their genuine craving for moral purity, sensitivity and beauty--thus, the opposite of what young artists often provide as their alleged service to the so called reality of life (which in their conception is nothing more but a barren patch of life's surface, and they are unable to explore the depths below that surface)--precisely because they are not armed with theory.

So it is obvious: if our young artists expect to negate the NEGATION in our country, they must know first of all their POINT of departure! The kind of aggression which uses art, and pompous and arrogant attitudes toward the theory of art and social sciences evidently go hand in hand with that. We began to fill these aggravating communicating vessels with the water of death. "We used to write and speak one way, while reality was completely different, and that led to a dichotomy, which, as you know, has left its negative mark on our ethics... And that, comrades, has most negatively affected the civic attitudes of our growing generation." (Comrade Gorbachev). Some young people are simply dumping theory into the waste basket—together with other words, words and more words...

Reforms will be arduous but every day they get delayed will make them even more difficult. The process of restructuring begins with the change of one's consciousness--and that applies also to the young generation of artists who may grow normally and straight (also toward their theoretical maturity) only in an atmosphere of creative criticism and self-criticism and in a harmony of words and deeds. Thus, one may expect that theory will gradually regain the authority which our young people need: one whose light will not blind their eyes but illuminate their path.

9004/9190

CS0: 2400/255



## MEASURES AGAINST WATER POLLUTION ADOPTED

Bratislava ROLNICKE NOVINY in Slovak 21 Mar 87 p 3

[Article by Anna Korimova: "What is Pure Must Remain So"]

[Text] Certainly most of us would like to avoid a repetition of cases such as the pollution of drinking water supplies by leaks of chemicals from Bratislava Slovnaft, or the shortage of potable water in the East Slovak Kraj, which has affected Kosice especially hard. Unfortunately such wishes are frequently not in line with our approach to the protection of quality drinking water supplies. We need therefore to regulate our drinking water supplies and take steps to protect natural watershed areas.

Based on a proposal of the SSR Ministry of Forest and Water Management, the SSR Government set aside, as of 1 April 1987, nine areas in Slovakia as watershed areas. Which ones? Answers to these and other questions were provided by Doctor of Law, Eng Milan Belacek, director of the state administration, legislative programs and organizations of the SSR Ministry of Forest and Water Management.

[Answer] The protected areas are as follows: The Strazov Heights, the Beskyds and Jeseniks, Velka Tatra, The east and west areas of the Nizice Tatry, the Ipla River basin, Rimavica a Slatiny, the Murar Plain, the upper reaches of the Hnilec river, the Plesivek plains region of Slovensky kras, and Vihorlat.

These areas have not yet been disrupted by too much urbanization. The assumption therefore is that by regulating the future development of industry and agriculture in these areas we will also be protecting the water, that colorless, odorless, and tasteless pure liquid.

[Question] This means that a new order will have to apply to these protected regions. What will it look like?

[Answer] "Every organization that will want to build or utilize materials that might threaten water quality will have to accomodate itself to new requirements," M. Belacek informed us. "Some activities will be forbidden, others will be restricted. There are precisely defined regulations on the basis of which development may take place in these areas."



There are many measures. It will not be possible to build storage facilities for harmful substances. It will be possible to use pesticides only long distances from water sources, and then only in limited amounts. It will not be permitted to build slaughterhouses, or cattle raising operations for more than 5,000 head. It will be impossible to build pipelines for crude oil or other materials that might have a negative impact on water quality. Farmers will not be able to install drainage systems on wetlands without confirmation from water managers that the project will not threaten water supplies. It will not be possible to mine large quantities of peat, store or process radioactive materials, or open quarries.

[Question] Some 58 percent of these protected areas are covered by forests. These measures will clearly help them as well.

[Answer] "We are changing forest management systems", continued M. Belacek, "so that the forests help the water situation. The area in the protected regions covered by forests may be reduced by a maximum of 10 hectares, which of course must be reforested with quality stock. The forests will thus help the water supply and the water will return the favor to the forests of the protected areas.

This means, then, that we have 10 protected watershed areas, including the Zitny island which has been under strict supervision since 1978. This involves a total of some 7,000 square kilometers where we must be very careful to retain water quality. In the end, everything depends on people, on their feeling for nature and for water. People will determine whether sectoral or broader, social interests will take precedence here.

There is no life, however, without water. Everyone managing the growth of industry, agriculture, and other areas of the national economy must be aware of this. Administrative and legal measures to protect the water in the nine areas of Slovakia have been in effect since 1 April 1987. They are precisely defined regulatory and controlling measures, regulations for obtaining permissions and opinions regarding the urbanization of the countryside. The law has thus been forced to define what had been obvious previously--the protection of quality potable water resources. Maybe this will open some people's eyes and make us rethink the principle that currently applies, namely that we want our own doorstep to be clean but do not care what is going on on the other side of the fence. Ostentatious administrative buildings are one of the silent testimonies to our forgetfulness concerning water purification facilities. In our pursuit of higher harvest yields we have sometimes overfertilized fields and applied excessive amounts of pesticides, both of which have then made their way into surface and ground waters.

We could recite an almost endless list of crimes against water. To avoid the possibility of having to count every liter of water at some future time we must realize that it is easier to develop measures at a cost of a few million korunas that will prevent us from polluting water resources than

to spend, a few years from now, several hundred million korunas to improve the quality of our potable water supplies, which will then be inferior to what they are today.

In some African countries even cloudy water is more precious than gold. In many cases we use pure water as if it has no cost. It does have a cost, however, as the essential ingredient of life on the planet Earth. We need to remind ourselves every day to treat our water resources as we would treat our own lives. This applies not only to the water in the above mentioned protected areas.

9276/9190

CSO: 2400/257

## LAG IN RESEARCH DEPLORED

Bratislava PRAVDA in Slovak 28 Apr 87 p 2

[Article by Jozef Supsak: "Cast Off the Shell of Old Habits"]

[Text] Last week the centrally managed organizations of the CSSR research and development base (VVZ) held a statewide assembly in Bratislava. It was a professional conference, the first of its kind, in which the managers of research centers and of the CSAV [Czechoslovak Academy of Sciences] and SAV [Slovak Academy of Sciences] institutes (representing 116,000 employees, i.e., 62.5 percent of all personnel of our R&D base) were seeking new ways to accelerate R&D after the 5th plenum of the CPCZ Central Committee. Its agenda was focused on such pivotal problems as the determination and implementation of scientific and scientific-technical policies, unified statewide management and planning of research programs and of the introduction of new technology into production, and better coordination of basic and applied research, development and other creative programs.

There have been many warning signals and alarms that the creative potential of our R&D institutions and centers is inadequate and cannot meet our current demands, capacities and the funds invested in it. This is clearly evident, for example, from the results of the 1986 technical development. A new factor emerged already in its planning stage, namely, the goal-oriented direction in the planning of the state program for technical development. Like a mirror it reflected the disunity existing in inter-departmental and intersectoral relations, because there it is still often obvious that blood is thicker than water--the interests of the enterprise and of the ministry come first and only then the interest of all society follow... Or another fact: About 56 percent of the goods developed by programs for technical development were tested in state testing institutes. Only 39.1 percent of them were rated as products of high technical-economic standards. The question arises: what was the standard of their development, who approved the results, and what criteria were applied in comparing the goods with world standards? Nevertheless, all our research institutes and centers fulfilled their plan at 100 percent. That proves one thing--the low demands on our R&D, the leniency of our research institutes in approving its results, and also their failure to compare them with the best of their kind in the world.

We lack innovations of higher orders. They must be produced expeditiously and in correlation of high-quality R&D and capital investment. Precisely here are our weak points. The whole process of innovation is contingent on capital investment which takes exceedingly long time--10 to 12 years, although we still are building on the basis of applied research rather than according to original plans!

These and other sore aspects of our R&D were broadly discussed and solution was sought at the statewide assembly. Above all, the demand was voiced to leave the beaten path of R&D administrative control, to adopt economic management, and to use khozraschet as leverage. We are facing a harsh reality. For the Eighth 5-Year Plan the state allocated 3.9 percent of national income for the development of science and technology, or two-tenths of one percent more than in the Seventh 5-Year Plan. Our R&D institutes must abandon hopes that they may "collect" any additional funds from the state treasury. Their only way out is the most efficient and lucrative investment and prudent stewardship of their existing resources and funds.

According to the principles of the restructuring of the economic mechanism, the mechanism of planned R&D management must be fully specified, and basic and applied research better coordinated. The center must exert greater pressure on the planning, management and efficiency of key R&D programs and tasks.

A unique opportunity to improve the efficiency of our R&D base involves its linkage with top priority objectives and tasks of the Comprehensive Program for R&D Progress of the CEMA Member Countries to Year 2000. We must frankly admit, as it was admitted in the discussion, that not everybody everywhere is aware of this open door to high efficiency and top parameters. Although we have a few good examples of direct contacts between Czechoslovak and Soviet R&D organizations, thus far there has been no frontal approach. If we wait for our foreign partner to initiate the contact, or if we procrastinate without any reason, we shall lose our most precious commodity--time.

We must strengthen those research institutes and laboratories that are directly dealing with methodology, technology and production, particularly machine and electrical engineering. An effort to accelerate the process of innovation is underway. Amended decree on documentation of construction projects No 5/87 makes it possible to cut the stage of preliminary and planning documentation by as much as 2 years. Furthermore, the timetable for technological research and for the construction of capital investment projects may also be cut short. The inclusion of programs in the state plan technological development will be subjected to stricter criteria. For instance, at least 50 percent of their costs must be covered from internal resources of the khozraschet sphere. A proposal calls for price-setting for R&D programs on a contractual basis, i.e., agreements between the supplier and the consumer. An interesting suggestion is to fill the managerial positions in the R&D base by competition.

There are no ready-made formulas to make the R&D base operate more efficiently and to speed up the introduction of its results in production. Solutions must be reached by creative search and by critical and self-critical approaches. The statewide assembly of the centrally managed VVZ organizations was only the first step toward that goal.

## FEDERAL BUDGET 1987 TASKS DISCUSSED

Prague FINANCE A UVER in Czech No 1, 1987 p 23-32

[Article by Eng Milan Jurceka, CSc., director of the Federal Budget Office, Federal Ministry of Finance]

[Text] The 1987 federal budget provides for the implementation of the main tasks for the current year, stemming from the Eighth 5-Year Plan for the development of the national economy and from the budgetary outlook for 1986-1990. It also takes its direction from the tasks set by the 17th Congress of the Czechoslovak Communist Party for increasing the intensification of the national economy and from the anticipated achievement of the expected level and dynamism of the formation of financial resources as a basic precondition for a balance budget.

The drafting of the federal budget for 1987 was singular in the fact that the proposal for the state plan and the monetary plan for this year were approved already in the middle of 1986 within the framework of the Eighth 5-Year Plan and the monetary outlook for 1986-1990. That made the tasks of the budgetary system that much more demanding, because newly arisen economic problems had to be resolved by active financial measures in the framework of the state budgets, budgets of the national committees, and the financial plans of organizations.

## Aims of the Financial and Budgetary Policy for 1987

The financial and budgetary policy for 1987 is aimed at implementing the principles of the financial policy for the period of 1986-1990, approved by the resolution of the CSSR government No 173/1986 for the budgetary outlook for that period. One of the principal tasks is to bring pressure to increase efficiency and frugality, produce a balanced budget as an important prerequisite for ensuring an overall economic balance and monetary stability, create a more demanding economic environment for the economic sphere, and create conditions for a further improvement of the living standard.

The aims of the financial and budgetary policy are reflected in the proposed federal budget mainly in the following points:



a) Economic organizations are assigned the challenging tasks to reduce costs and generate profits, and to manage their inventories and the financing of their other needs more efficiently;

b) A more demanding economic environment is being created for the economic sphere, particularly a more consistent application of decree No 37/1983 Laws of CSSR concerning the invoicing of investments, a more stringent financing of public service consumption as part of enterprise costs, enforcement of consistent observance of designated average costs of one apartment, introduction of supervision over financing to ensure an economical implementation of selected integrating actions, and exclusion of a portion of the charges for polluting the environment from the planned costs of the enterprises;

c) It is expected to use overplan financial resources, or resources from previous years, of organizations to finance the 6 percent planned volume of investments in 1987. This measure will bring pressure to make it possible for only those organizations which make the greatest advances in increasing efficiency to fully realize their investment plans, and will ensure an overall balance between the revenues and the expenditures of the budgetary system.

d) Starting at the beginning of 1987, a modification of the rules in the area of financial economic instruments of foreign trade will be implemented which will increase the incentives of the economic sphere to fulfill and overfulfill their export assignments and maximize their contribution to the balance of payments of the country.

The financial and budgetary system is assigned important tasks for 1987 also by the CSSR Government resolution No 244/1986, concerning the program to implement other measures in the system of planned management of the national economy during the Eighth 5-Year Plan. For example, it is expected that in 1987 the implementation of the first stage of the program of gradual reduction on non-investment grants from the federal budget will already take place, and a number of new measures will be verified in the framework of the comprehensive experiment aimed at increasing the independence and responsibility of economic organizations for efficient development.

#### Development of the Basic Proportionality of the Budgetary System

The federal budget—including the budgets of the national committees—counts on a total volume of revenues and expenditures in the amount of Kcs 381.90 billion, which is Kcs 17.36 billion more in comparison to 1986 and higher by 4.8 percent. In accordance with the law governing the Eighth 5-Year Plan, this proposal ensures not only a balance between resources and requirements of the entire budgetary system, but also of its individual components—the state budget of the Czechoslovak Federation, the state budgets of the republics, and the budgets of the national committees.

The determining share of the total volume of resources of the budget system belongs to the budget of the Czechoslovak Federation, whose planned revenues will reach Kcs 208.60 billion. Kcs 74.99 billion is designated for the financing of federally directed agencies and organizations, and Kcs 133.99 billion represents grants from the state budgets of the republics. Compared to 1986, these grants are being reduced by 2.2 percent in connection with the growth of internal revenues of the budgets of the republics.

The structure of budget revenues and expenditures is shown in Table 1.

<u>Indicator</u>	<u>1987 Proposal</u>	<u>Difference 1987-1986</u>	<u>Index 1987/1986</u>
Total Revenues	381,90	17,36	104,8
Of that: Tax on turnover and margins in domestic trade	94,65	1,18	101,3
Levies from economic organizations	180,22	15,36	109,3
Tax on wages	47,76	1,02	102,2
Other revenues	59,27	-0,20	99,6
Total Expenditures	381,90	17,36	104,8
of that: Grants to economic organizations	62,12	2,76	104,6
Of that: investment	13,78	1,28	110,2
non-investment	48,34	1,48	103,2
Total Expenditures RO and PO (as published)	301,59	14,70	105,4
Of that for: economy and financial and technical services	52,43	5,76	112,3
development of science and technology	8,52	0,36	104,4
Social services and activities for the public	177,77	7,12	104,3
defense and security	27,27	0,81	103,1
Administration	7,83	0,26	103,4
Grants to cooperative agri- cultural organizations	11,39	-0,36	96,9
Other Expenditures	6,80	0,26	104,0

The increase of revenues of the combined state budgets and the budgets of the national committees is ensured for the most part by increasing the levies from economic organizations, particularly the levies on results derived from management on the basis of the planned increase of profits. Non-investment expenditures of budgetary and contributing organizations share in 85 percent of the increase of total expenditures, particularly as a result of increased expenditures for social services and activities of the public, which means social security, education, health care, culture and other branches of public services consumption.

To achieve the planned balance of budget revenues and expenditures, it will be necessary to assure the greatest efficiency and dynamism of material and financial asset formation and their most economical utilization.

#### Demanding Tasks of the Economic Sphere

The approved tasks of the financial plan and the federal budget present the economic sphere with extraordinarily demanding tasks for the formation of financial assets in 1987. That concerns primarily the most important factor in the formation of financial assets—profit, which is to be increased overall by Kcs 15.60 billion, that is by 10.6 percent. Increased profit from the domestic economy is to be achieved by a 78.1 percent reduction of total costs, and the remaining portion by higher performance. Fulfilling this task requires the reduction of the share of total costs in output by 1.01 percent and the share of material costs by 1.45 percent, as shown in Table 2.

Table No 2

Indicator	<u>Share of Costs</u>	<u>Cost Reduction</u>	
	<u>In Output</u>	<u>Kcs billion</u>	<u>Percent</u>
	<u>Percent 1987 Plan</u>		
Total Expenditures	89,55	-12,46	-1.01
Of that:			
Material and other costs less depreciation of capital assets	62,37	-12,61	-1.45
Depreciation of capital assets	5.48	+1,79	+2.43
Wages and other personal costs	13,59	-1,91	-1.02
Financial expenditures	8,18	+0,26	+0.24
Comprehensive credit for costs	-0,08	+0,01	---

The relative reduction of expenditures worked into the financial plan for 1987 is distinctly higher than what we achieved on the average during the Seventh 5-Year Plan. Thus it becomes that much more important to turn to long-term factors for reducing material costs; among them are a consistent implementation of such structural changes in production which will lead to

a reduction of the overall material and energy intensiveness of the growth of the national economy, increasing the contribution brought by the application and faster introduction of research and development results into practice, deepening of our incorporation into the socialist economic integration, and attaining the maximum economy in the utilization of all material and financial resources. The task is made more complicated by the fact that in 1986 the plan for reducing costs while maintaining a marked differentiation between departments and economic production units obviously will not be accomplished. As a result, in 1987 the tasks of developing costs and profits in organizations managed by the governments of the republics will be distinctly more challenging than in the federally managed organizations as a whole.

The main factor of intensification, which basically has to be utilized more, is research and development. In 1987, the non-investment expenditures for research and development will be increased by 3.5 percent and will amount to Kcs 20.03 billion; of that, Kcs 8.57 billion will be financed out of the federal budget and 11.46 from the resources of the economic sphere. We are talking about a relatively large amount, even from the viewpoint of international comparisons. But we have to achieve a faster and more effective return on these resources for society.

The 1987 budget also sets demanding tasks in the area of inventories, where the turnover of inventories in industry and construction is to be accelerated by 2 days in comparison with 1986. The fulfillment of this task, too, will be exceptionally complicated, because it rests on the assumption that the status of inventories will reach its planned level by the end of 1986.

#### Development of the Standard of Living

The federal budget provides for the realization of plans concerning the standard of living primarily by means of its expenditures for social services and activities of the public. Non-investment budget expenses in this area will reach the amount of Kcs 172.77 billion, that is 4.3 percent more than in 1986. This will include, other than the development of individual branches in connection with their improved performance, new tasks stemming from the appropriate resolutions of the government. These will be, for example, a program of computerization of schools, gradual implementation of health care problems, resolving the problems of the western border region, and development of mass physical training in schools. As calculated per one citizen, the 1987 expenses for social services and activities for the public will amount to Kcs 10,992.

More than half of the planned resources is designated for social services, where current expenditures in 1987 will reach the amount of Kcs 9.44 billion, Kcs 56.31 billion of that going for pensions. The planned average number of disbursed pensions in CSSR in 1987 will reach 4,062,000. The expected average old age pension will be Kcs 1,371 per month, that is 1.1 percent more than in 1986. The expenditures from the federal budget for health insurance will amount to Kcs 28.61 billion, reduced by



Kcs 0.47 billion as compared to 1986, which is based on an assumed lower incidence of ill health and an unfavorable demographic development. The amount of Kcs 6.5 billion is designated for social purposes in the area of the national committees.

The expenditures for education will reach Kcs 27.92 billion (an increase of 2.5 percent). The major portion of these expenditures will come from the budgets of the national committees Kcs 23.40 billion). Beside the increased expenditures connected with increased performance, the proposed budget makes provisions for roughly a 30 percent increase of resources for the necessary maintenance and repairs of schools and school equipment. The budget also takes care of the needs of the further development of military education in schools, funds for the purchase of school materials, and resources for resolving the problems of the western border region. In the area of centrally directed education (Kcs 4.52 billion), the increase of material expenditures by 4.3 percent is designated mainly for the maintenance of structures and for outfitting and operating new dining halls and dormitories. Moreover, the contingency funds in the state budgets provide resources for the program of computerization of schools.

Non-investment costs for health care will come to Kcs 28.90 billion, an increase of 5.3 percent. In the centrally managed health care system (Kcs 1.25 billion) the expenditures are expected to increase, particularly for expanding the health care services for workers in nuclear power plants and the uranium industry, as well as for the continuing reconstruction and repairs of structures of the State Institute of National Health, and the increase in the spa treatment of selected patients (children, miners, etc.). In the area of health care services managed by the national committees (Kcs 27.65 billion) there will be a considerable increase particularly of costs of medications and special health goods (increase of 8.0 percent); there will be an increase of resources for repairs, maintenance, modernization, and reconstruction of medical facilities.

A socialist state gives considerable attention to cultural development. Non-investment expenditures in this area will be increased by 5.3 percent in the 1987 budget, and will reach the amount of Kcs 5.08 billion. This relatively high increase is linked to the continuing expansion of the number of municipal conservation areas and an accelerated renovation program of cultural monuments of national importance, provided for in the budgets of the national committees. In the planned increase of operational grants are included also allocations for repairs of professional theaters in Prague, Usti nad Labem and Olomouc, for the operation of new cultural facilities in the SSR, etc. In the special purpose allocations of the state budgets are included also resources for projects of national importance, such as the modernization of the Tyl Theatre in Prague, the reconstruction of the National Monument in Zizkov, the reconstruction of the Trade Fair Palace, the reconstruction of the historic centers of Bratislava, Kremnice, Bardejov, Levoc, Banaska Stiavnica, etc.



Total budget allocations for residential construction and residential management will reach Kcs 29.18 billion (of that, the reimbursement for losses to residential management enterprises, including the use of contingency funds of the national committees, comes to Kcs 5.56 billion), an increase of 4.7 percent in comparison with 1986. In accordance with the concept of governmental residential policy, the increase of allocated resources is reflected mainly in the increase of government contributions to cooperative residential construction. In the plan of the national committees for comprehensive residential construction in CSSR it is assumed that in 1987 80,810 new apartments will be completed, which is 2,463 more than in 1986. The plan will stipulate that in 1987 supplier organizations will have to initiate the construction of 48,730 new apartments. Besides new construction, another 4,730 apartments should be made available by the modernization of housing stock which is under the administration of socialist organizations.

Besides the above mentioned resources, there are other amounts allocated out of the federal budget which have an impact on the living standard of the population. For example: Kcs 3,9 billion will be allocated for grants to municipal mass transportation enterprises, and Kcs 1,6 billion for subsidies for the cost of heat supplied to the public from distant sources.

The volume of resources which the federal budget expends on public service consumption and on other factors which have an impact on the standard of living is considerable, and has a continuing upward trend. Therefore, in this sector as well, it will be necessary to be ever more careful in spending every koruna and to strive for a purposeful distribution of useable assets according to established priorities.

#### Conclusion

The 1987 federal budget ensures financial resources for the main tasks for this year, stemming from the Eighth 5-Year Plan and the budgetary outlook for 1986-1990. The basic problem of the 1987 federal budget is how to achieve the designated tasks, calling for total involvement, in the area of revenues. This concerns primarily the levies on economic organizations based on profit formation, where exceptionally challenging tasks to reduce costs are being assigned. Accomplishing the designated tasks for intensifying the economy, and thus also the planned level and dynamics of creating financial resources, is a fundamental precondition for ensuring a realistic balance in financial and budgetary relations and the realization of tasks in the area of the federal budget.

This was emphasized by the CSSR minister of finances, comrade Jaromír Zak, in his introductory statement at the discussions of the federal budget for 1987 at the plenary session of the Federal Assembly, where he stated: "A consistent assurance of economic balance, fluent development of the national economy, and satisfying the needs of the public requires that we allocate only as many resources as we create (...). We all have to realize that only by fulfilling the challenging tasks of reducing costs, creating profits and other financial resources, will it be possible to ensure the financing of the needs of the economic sphere and guarantee a rising standard of living."

## COMPREHENSIVE EXPERIMENT VIEWED

## Procedures and Regulations

Prague: HOSPODARSKE NOVINY in Czech No 15, 1987 pp 8-9

[Article by Eng Vladimir Janěba, State Planning Commission: Who, What and How]

[Text] The comprehensive experiment of increasing the independence and responsibility of economic organizations for effective development will verify the main precepts of the Principles of Restructuring the CSSR Economic Mechanism, which is being readied for the nineties; it will be gradually put in effect during the years 1987-1990. Two economic production units have been engaged in the experiment since January 1--the concern Jablonecka Bizuterie (Jablonec Costume Jewelry) and the branch concern Crystalex. Beginning April 1, they will be joined by the following economic production units: Pivovary a Sladovny Praha (Breweries and Malt-Plants Prague) and Ogako Partizanske. Ready economic production units are Lachema Brno, Hudebni Nastroje Hrade Kralove (Musical Instruments Hradec Kralove) and enterprise Textilana Liberec.

The preliminaries and experiences so far indicate that one of the basic prerequisites for starting the experimental verification will be a detailed incorporation of the principles and rules of the experiment into the specific regulations of branch and enterprise subdivisions, introducing them into the lowest level khozraschet units, into khozraschet centers. Only rules thus detailed will make it possible to thoroughly familiarize all workers with the requirements for its realization according to the specific conditions of their workplace.

## Realization and Expansion

The final evaluation of the proposed expansion of the experiment for action by the federal government is being prepared by the steering committee chaired by the vice-premier of the CSSR Government and the chairman of the State Planning Commission. It will also determine specific programs for organizations, provided that the Principles of the Comprehensive Experiment contain a provision for alternative choices. Its implementation in selected organizations will be determined by the federal government together with the terms for its beginning.

The rules of the experiment were worked out and published by the State Planning Commission at the beginning of February of this year. They are available in all the appropriate central agencies and, through time, in the appropriate economic production units. They contain specific rules for individual areas and determine the manner of applying them.

Experimenting organizations proceed according to generally valid guidelines including organization provisions for the Eighth 5-Year Plan (appendix to resolution No 170/1986 of the CSSR Government) with variations mentioned in the Principles of the Comprehensive Experiments and its rules. The structure of management inside the experiment organizations and the Supply and Marketing Department (OZO) is under their jurisdiction in accord with the rules, including redistribution within the economic production units; the production organization and OZO must make certain by agreement that the results, including the economic incentives, are commensurate with the contribution which the organization made toward their achievement.

The experimenting organization is the economic production unit and the organizations incorporated in it, or, a selected enterprise and the appropriate trade groups of the foreign trade organizations (as designated by the Federal Ministry of Foreign Trade).

The experimenting enterprise remains a part of its superior economic production unit, and the experimenting production economic unit a part of the appropriate department. The experimenting organizations have their plans made and are evaluated independently according to regulations. The tasks of the higher level are not changed; in evaluating the fulfillment of the plan, deviations from the plan, connected with the activity of the experimenting organizations within the framework of the rules, will be taken into consideration.

An analogous procedure will be used in cases where the enterprise is experimenting within the framework of an economic production unit which is not taking part in the experiment. The relationship of the experimenting enterprise to the economic production unit and the central branch organization will be determined by the superior central agency.

The experimenting organizations will incorporate the rules of the experiment into the branch or the enterprise subdivision management, including their relationship to the appropriate OZO (or appropriate organizations). At the same time they will adjust their statute or organizational order.

The experimenting organizations will guarantee implementation of the tasks of the Eighth 5-Year Plan, or, as the case may be, the detailed tasks assigned to the central agencies in the annual operational plans for the years 1987-1990.

Only those tasks, limits, and norms designated by the superior agency according to rules of the experiment, and levies set by the federal government are binding on the experimenting organizations.

The experimenting organizations are assigned their tasks for the entire period up to the year 1990 with a yearly break down, and norms usually for the entire period. Changes in the tasks, limits, and norms by the superior agency are permissible only in those cases where the federal government stipulates in the draft of the operational plan changes which have a bearing also on the experimenting organizations.

The experimenting organizations apply the full khozraschet; the organizations use only the resources which they have created, without grants and without redistribution at the level of the superior agency. Arrangements for financial economic instruments are made according to general rules. Redistribution inside the experimenting organization is defined within the framework of branch or enterprise subdivision regulations.

The experimenting organizations assemble and present statistical and accounting reports by using general procedures; statements according to rules of the experiment are submitted by following procedures established by the Federal Office of Statistics and the Federal Ministry of Finance in agreement with the State Planning Commission.

The comprehensive experiment will be evaluated according to its individual components as well as its totality, as to its effectiveness in achieving the assigned objectives within the time period of evaluating the fulfillment of the plan.

Controls and revisions will be carried out in the experimenting organizations according to generally applicable rules, taking into account the rules of the experiment. If during the course of the control or revision differing opinions on interpreting the guidelines arise between the control and the revision agencies and organizations, the final decision will be made by the central agency to whose competence the contested matter belongs.

#### Abstract of the Rules

##### Planning

The number of mandatory indicators (tasks and limits) of the state plan is reduced sharply for the experimenting organizations. The state plan will stipulate only the necessary number of tasks of a strategic nature to ensure the basic economic balance and basic macroeconomic structural decisions. It concerns the following tasks and limits: tasks in export and import in relation to socialist countries in FCO, the balance of export and import in relation to nonsocialist countries in FCO, and the import of selected items from nonsocialist countries in FCO, or the foreign exchange norm concerning nonsocialist countries (share of foreign exchange payments or foreign exchange earnings) and mandatory items of material resources and allocations of the state plan (basic raw materials, fuels, and energy). Also mandatory are construction projects designated as mandatory tasks of the state plan, state goal-oriented programs, state research and development programs, state plan of technological development, and the state plan of introducing new technology into production inasmuch as they concern the experimenting organizations.



Furthermore, the superior agency will designate as mandatory for the experimenting organizations:

- norms for a minimum formation of the development fund from profit,
- norm for the formation of the development fund from expenditures,
- norm for a minimum allocation of the contingency fund,
- norm for the incentive component of accrued wages and the ratio of dividing accrued wages into basic and incentive components, or the norm for increases of accrued wages,
- norm for supplementary allocation to the cultural and social services fund.

No other mandatory tasks will be assigned to the experimenting organizations.

All other indicators are to serve as guidelines, including the indicators which were specified as mandatory by the 5-Year Plan, and including the upper limit of the number of personnel verified by the regional national committees. The function, status, and use of such orientation indicators in experimental organizations are determined by the organizational provisions of the Eighth 5-Year Plan.

Regulations for discussions of the plan, changes in it, and the control of its fulfillment do not apply to the orientation indicators of the plan. Individual management levels are authorized to make changes in these indicators, reporting the changes to the higher level of management and other agencies to whom they submit information about the plan.

As far as export and import to and from socialist countries is concerned, organizations must keep to the territorial and commodity objectives of the state plan; at the same time, the tasks include only the obligations stemming from long term trade agreements and annual protocols. A unilateral over-fulfillment of the plan for export to socialist countries or import from them in relation to individual countries is possible (with the exception of imports of construction work) only with the consent of the Federal Ministry of Foreign Trade.

The system of foreign exchange regulations in relation to nonsocialist countries is becoming considerably more flexible. Organizations are exempt from the general system of foreign exchange regulations which applies in the department (in the case of using foreign exchange balance of export and import in FCO value). In determining the balance of export and import in FCO value they create their own resources for imports directly subject to the results achieved in export. In this case, the balance is set for the organizations for individual years of the experiment. This balance is used also in the area of the plan as a mandatory indicator.

In such cases where the proper conditions exist, the foreign exchange norm (norm of foreign exchange intensiveness) is applied in organizations as an instrument of foreign exchange regulations and also as the only mandatory indicator in the area of non-socialist countries. It expresses the share of foreign exchange payments in the foreign exchange cash holdings. In such a



case an account (interest bearing) is opened for the experimenting organizations, and the organizations use its resources according to the khozraschet principle. Foreign exchange claims and obligations are fully transferable to future years. The foreign exchange account is used for all payment for imports, settlements of foreign exchange credits, or for payments to other organizations. The organizations carry the risks arising in the foreign exchange accounts. The source of income for the foreign exchange accounts is a portion of all the cash in hand available as a result of the activity of the appropriate organization. The generally applied system of hard currency incentives is not applied to the organizations. This foreign exchange norm is applied in organizational and such economic interconnection of production and foreign trade, where the financial responsibility for foreign claims, obligations, foreign exchange collection and payments, including claims and obligations incurred prior to the experiment, is transferred to the experimenting organizations.

When planning capital investment, neither the volume of investments nor the start up of construction is designated for the experimenting organizations. They follow the generally applicable guide lines in the area of capital investment in a commensurate degree, particularly when it comes to observing the time terms of the construction, observing the norms and techno-economic indicators of efficiency, utilization of capacities, and use of state expertise.

In case the construction is designated as a mandatory task of the state plan, the federal government will decide about the extent of the participation of central resources in the financing as well as the manner of resolving possible unfavorable consequences on the economy of the organization. The superior central agency will guarantee within the framework of the planned balance sheet the need for the construction work in the extent stipulated in the 5-year plan, or, as the case may be, a greater need for construction capacities by the experimenting organizations, although only for highly efficient, mandatory, and centrally considered construction.

#### Financial Resources, Apportionment, and Funds

The economic production unit uses profit after levies and payment taxes to the state budget, the national committee budget, and the to the federal reserve fund, in the following order:

- for the mandatory minimum allotment to the development fund according to the norm,
- for the basic allotment to the cultural and social services fund according to norm, if the balance does not amount to the required minimum,
- for other purposes according to the determination of the economic production unit.

The economic production unit establishes a development fund instead of an investment fund and a R&D fund. It establishes a contingency fund to cover the risks connected with its activities. The minimum allocation will be determined differentially by a superior central agency at a percentage of net

production\* (Footnote) (Adjusted value added including foreign trade less write-off of capital assets) or from production assets taking into consideration the risk factor associated with the activities of the economic production unit; the economic production unit defrays it from the apportionment of the profits or from the export incentive fund. A maximum balance is not set for the contingency fund; the superior central agency determines the minimum balance of this fund by a percentage of net production or the volume of accrued wages.

#### Levies to the State Budget

The experimenting organizations pay levies and taxes to the state budget, to the national committee budget, and to the federal reserve fund according to applicable guidelines, rules of the experiment, and the rate set by the CSSR government.

The experimenting organizations pay the following levies to the federal budget besides the contribution to the social security:

- levies from funds
- levies from profit, the basis of which is determined according to Paragraph 3, Law No 161/1982 Sb. (Laws of the CSSR), and is reduced by the amount of the levy paid from funds, and increased by the amount of any possible refund of levies from the fund),
- supplementary levy from wages increases, if premiums and rewards and defrayed from profit,
- supplementary levies, which can be applied according to Paragraph 9, Law No 161/1982 Sb., with the exception of a supplementary levy for the redistribution of resources according to Section 1, Letter d) in an amount according to Paragraph 7, Section 1, Letter b) of CSSR government decree No 106/1985 Sb. (full reading).

Subject to all the levies, with the exception of the levy from profit and the supplementary levy from wage increases is the economic organization (enterprise); subject to levies from profit and from wage increases is the economic production unit that is not taking part in the experiment.

#### Financing of Development

The development fund of an enterprise within the framework of an experimenting economic production unit is formed, other than by write-offs of capital assets and other allocation, according to generally valid regulations:

- from profit according to designated norm of minimum allotment,
- from costs in the amount of designated norm (for financing noninvestment expenditures for scientific research development),
- a further allotment from distributing above norm profit.

The development fund of an enterprise within the framework of an experimenting economic production unit is used as follows:

- for financing capital investment expenditures,
- for financing non-investment expenditures for scientific and research development,
- for transfers to the working capital for financing increases in inventories,
- for levies to the superior economic production unit.

The development fund of an economic production unit is created from the same resources as the development fund of an enterprise, but only from the internal activities of the general administration, or the branch enterprises, and from levies from the development fund of the enterprises. The development fund of an economic production unit is used for the same purposes as the development fund of an enterprise. The resources of the development fund of an enterprise and an economic production unit are deposited in an independent bank account.

The formation of working capital on the basis of the share of the working capital in inventories is not used in financing current assets. The experimenting organizations supplement the working capital by allotments from the development fund subject to the amount of credit negotiated with the Czechoslovak State Bank.

#### Financing of Public Service Consumption

The basic allotment to the cultural and social services fund is made according to Paragraph 4, Sections 1 and 2, decree No 21/1986 Sb., including the provision that in case of a shortage of resources in the contingency fund of the economic production unit, it will be defrayed by levy from profit.

Supplementary allotment is made from profit according to norm. The norm is established for the entire period of the experiment by a percentage of profits.

To regulate accrued wages, three methods are being verified, beginning with a method that ensures a minimum semi-annual fluctuation in the area of wages, and including the method where the amount of accrued wages practically depends on the profits of the individual organization in individual years and includes the necessity to create a reserve fund. Depending on specific conditions, one of the following methods will be used:

- regulating accrued wages by a norm which will make a mandatory determination of the ratio of the incentive component of accrued wages to profit or return on investment, while the amount of the basic component will not be decreased or increased regardless of economic results,
- regulating accrued wages by a norm which will make a mandatory determination for the organizations of the ratio between the increase in accrued wages and the increase of net production (adjusted value added without write-offs and including the effect of foreign trade will be used),
- amount of accrued wages will be determined only indicatively, the regulation of the development of accrued wages will be done through the supplementary levy, which the organization will defray from profit. Its amount will depend on the increase of the amount of total wages. In this variant, the organization pays all premiums and rewards from profit.

## Credit

The bank makes 5-year credit agreements with the experimenting organizations with terms specified in annual credit agreements, which determine credit conditions in the experiment. When drafting and closing the credit agreements, the bank discusses the amount of credit and the guarantee of its repayment with the experimenting organization. It will agree to give credit in an amount which will assure a realistic repayment out of created retained earnings, based on an evaluation of the overall financial situation of the experimenting organization. The bank will then stipulate the specific conditions of the credit agreement accordingly.

When determining the total amount of credit, the bank will apply the principle that new credits for needs financed from the development fund (intermediate credit for covering the increase of inventories, improvement credit, credit for rationalization measures, and long term investment credit) have to be paid back in principle within 3 years at the latest from the resources of the development fund (in case of a long term investment credit for construction, within 7 years). In considering the requests for credit, the bank will also take into consideration the effectiveness of the needs, which the experimenting organizations intend to cover from the new credits for financing the development fund, and also whether the already granted credit and the newly requested credit will not exceed the repayment ability of the organization out of the development fund within the maximum term for repayment. When calculating the amount of credit, the bank takes into consideration also the criteria of efficient use of the credit, that is, its relationship to profit.

For covering the needs financed from the development fund, the bank grants the following credits:

- credit for improvements
- credit for rationalization measures
- long term and bridge-over credits
- intermediate credit for covering increase in inventories.

In contrast to the generally applicable system, there are certain changes in the area of price information. The most important change is the possibility of making variations (reductions or surcharges) in existing wholesale prices on the basis of conditions prevailing in the domestic market. The amount and effective time of the reductions and surcharges depend on agreements between the producing and the marketing organizations. Other than that, there are also instances when mandatory reductions are applied against organizations (such as purchase of goods for which no commercial agreement was made, or if agreed upon delivery time of seasonal goods was not kept, or in case it becomes necessary to reduce retail prices or start a sale prematurely).

The experimenting organizations can agree upon a similar procedure with their supplies. The amount of surcharges and reductions again has to be arranged by a commercial agreement.



The experimenting organizations are given the option of extending the area of prices negotiated by an agreement between supplier and consumer; proposals are submitted, upon agreement with the main customers, through the superior branch agency to the appropriate price office.

The criteria for evaluating the level of management in experimenting organizations are determined by the superior agency according to the rules of the experiment and in agreement with the appropriate agencies in such a way as to make possible a comparison of the level of management not only among the experimenting organizations themselves, but also with those not involved in the experiment.

Part of the evaluation of the level (efficiency) of enterprise management is a comparison with other organizations in the framework of the experimenting economic production unit, as well as with other organizations of the department working in corresponding sectors.

In the case of organizations with a significant share of export to non-socialist countries in their total sales, the evaluation of their management will be supplemented by an evaluation of their ability to compete (taking into consideration the credit intensiveness of export and discriminatory factors), by using methods agreed upon with appropriate agencies (for example, price comparisons). The evaluation is done by the appropriate central branch agencies together with the interdepartmental organizations and planning commissions of the republics according to the terms for evaluating the fulfillment of the plan. The evaluation is presented to the State Planning Commission and the Government Committee for Matters of Planned Management of the National Economy.

#### Potential Difficulties

Prague HOSPODARSKE NOVINY in Czech No 15, p 89

[Article by Miroslav Kana: Questions Without Answers]

[Text] The concern Elitex has been struggling for two years trying to fulfill the plan. The year before last it failed to fulfill 8 indicators, and last year 5 of them. Because 80 percent of its production is destined for abroad, and about a fourth of that to non-socialist countries, the success or the lack of it depends, understandably, on export sales. How, under such circumstances, does Elitex propose to deal with the markedly higher requirements of the comprehensive experiment, which it is supposed to join?

During the past two years, the effectiveness of export to nonsocialist countries by Elitex declined. But the plan counts on development in the opposite direction. Some of the personnel of the concern explain the reasons simply—the merchandizers at the Foreign Trade Enterprise Strojimport do not know how to sell. According to a report by Eng Antonin Holubec, managing director of Elitex, the Strojimport personnel counter with arguments such



as--your machinery is not the kind that could be easy for us to sell, you do not pay attention to customers' requirements. Both sides certainly would be able to support their assertions by any number of examples. One thing is certain--disputes of this kind take place because of the inadequate interlinkage of production and foreign trade. An attempt to improve it led recently to the formation of the Joint Export Program. However, the desired changes in the foreign marketing network have not taken place as yet.

"I read your article about preparations in the Machinery Equipment Factory for the comprehensive experiment in the last but one issue of the HOSPODASKE NOVINY. I was impressed particularly by the part concerning the difficulties with Strojimport, which exports their products same as it does our," stated A. Holubec. "Because we export relatively more than they do, our difficulties with export are also greater." Comrade A. Holubec thinks that, given our current imperfect linkage of production with foreign trade, they would have a bearing only on that part of the experiment which has to do with internal management of the concern Elitex.

He can see a number of logical reasons for that in this economic production unit. In the first place, they suffer from inadequate information about how their products work for the users. Their technicians have practically no opportunity to talk to them, and so they even do not know what kind of different things they might want. Information obtained at trade fairs is not sufficient and, what is more, on display there is machinery already produced; one can get information about new trends faster in the marketplace. Inadequate contacts with the market thus give rise to mistakes in making decisions about future developments. Some correct decisions made by Elitex in the recent past are said to have been based on information obtained from firms which Elitex cooperates with on technological development or on production, or who hold licences from Elitex. And this information differed from that obtained from Strojimport.

But technical information is not the only thing to be concerned about. According to the information of my partner, there was a case where the staff of Strojimport refused to give a breakdown of the f.o.b. price of a specific customer with the explanation that it is up to them to deal with.

"Certainly, the experiment could help move people, arouse their interest. Our situation here is quite bad. During the past 7 years our wages grew by 1 percent a year on the average, but labor productivity grew more than 4 times as much on the average. Altogether 22,000 workers of the concern suffer because of the low effectiveness of export. People have every right to ask--how is it affecting the exporter? Costly affluence (as published) are being built abroad and the merchandizers are living a good life," said director A. Holubec angrily.

When I reminded him that it would be fitting to talk about what they themselves are doing, and to look for ways to improve their own situation, he continued: "We have a debt because of last year's non-fulfillment which we have to pay. But, it means that we will have no resources left to give something to the people. It seems to me that the 5-year plan should be

re-arranged a little, so that we can deal with the comprehensive experiment. On the whole we could fulfill it, but we would need some resources for wages and social security to start with, to use as incentives. That would be for this year and the next, and we would return them at the end of the 5-year plan. People today do not believe that anything is going to change."

There are three possibilities of economic incentives under consideration for the comprehensive experiment. The income variant permits higher increases in wages, but it is risky. The variable component of wages is paid out of profit. If there is no profit, there is no variable wage component and the workers get only the guaranteed portion. If an organization wants its employees to earn more, it will choose this method. But Elitex has to make up last year's debt out of its earnings. Therein lies its dilemma.

#### Practice Still Unclear

Elitex can see a lot of ambiguities in the norms. Everyone knows what they should be in theory, but so far the rate of any of the norms has not been accounted. For example, it is not clear how much more costly labor will become because of the surcharge for social security. It was assumed that the surcharge will double, but by the end of March my partner was still unable to say how much it will cost our concern. It obviously follows, then, that no calculation is reliable, and one cannot talk about serious preparations for any other situation.

Questions also arise because of the certainly correct belief that the pressure of prices on economy and efficiency will increase. A number of concerned enterprises of Elitex live in the belief that the experiment will have a direct effect on them, and they will determine their range of products accordingly. In other words, they will discontinue products which are less efficient. But there will be many cases in Elitex where something will not be very effective for the enterprise but be necessary for the concern, because 20 percent of the output initiates in concern subdivisions.

Let us say that 8 enterprises participate in producing spinning machines but only 2 do the final work. What then? The decision to cancel some sub-delivery will result in disrupting the linkage which is necessary for the production. One could consider making such cooperation more costly, but the consumers would have to have money to pay for it. Thus they, too, will then increase the price of their products, and then it is but one step away from inflation; and, most importantly, in an economy which is not saturated with lot of subassemblies, it will strengthen the position of the sub-supplier. The change in the economic mechanism should, however, strengthen the position of the consumer, and the experiment actually is beginning to do that.

It is certain that many of the difficulties which plague the textile machinery sector are connected with foreign trade. But we cannot forget the technological aspect of that machinery. For the duration of the entire Fifth and part of the Sixth 5-Year Plan, Elitex was the sole manufacturer of spindless spinning machinery in the world, and its production was sold out for several years in advance. But today it is no longer possible to talk about

CSSR technological primacy in this area. Other manufacturers, and there are also those among them who bought their licences in the CSSR, are ahead of us. The technological development at Elitex has made a contribution to that. But we cannot forget the shortsighted investment policy. The machinery in this economic production unit is 21 years old on the average. I saw an analysis which compared those organizations whose capital investment was minimal. Thus their textile machinery brought earnings, however, it did not register a high rate of development and very little was invested. Even here something should be changed thanks to the experiment, as long as the organizations will retain their write-offs.

"We are developing machinery which should again place Elitex in the top place in the world in certain areas," said A. Holubec in ending the conversation. I could not help myself. In 1983, following the construction of Itma which specialized in textile machinery, a seminar was held in Liberac, which was attended also by the vice-premier of the CSSR government, Eng Ladislav Gerle. At that time there was talk about the machinery that Elitex has ready, and which is better than the previous ones and can stand comparison with the best in the world. During the past 2 years, Elitex got into difficulties because of non-fulfillment of the plan. The tasks then assigned were not met, or rather specific people did not fulfill them and so—what is the reason for such optimism today?

"We did not achieve what we set out to do in spinning machinery production, or in providing machinery with electronic controls. It is just the fact that we have been giving electronics special attention in our concern which leads me to make the statement that we are getting better results. Before long, a respectable work-place for this activity will be built and the necessary production workplaces are in the process of being built.

We will thus reduce our independence on often difficult to get subdeliveries, and we shall be able to react faster and with more clarity to external stimulation or even to our own problems. The method of work followed in some of the enterprises of our concern provides the requisites for successful results. From a comprehensive rationalization brigade, working on a new type of spinning machine with the designation USA 20, we are expecting a machine with techno-economic parameters commensurate with current world standards, which will begin to supplant the machinery, now being produced, already in this 5-year plan. Also some types of knitting and weaving machines have the requisites needed to reach first class level."

The improvement of the not very good position that Elitex holds in world markets will begin with technological development of the enterprise, with having something to offer. There is no argument about that. Similarly, there is no argument about the fact that the producer, and most of all his technicians, have to have detailed knowledge of how their products work for the users, as well as an accurate knowledge of the situation in the marketplace. If an organization is to respond to their development with everything it has, as the comprehensive experiment requires, then it has to have, of course, a possibility to influence everything that has to do with its

management and efficiency. Arguments about foreign trade as well as ambiguities which Elitex notices, signal that as yet neither the management nor the economic sphere are ready for the comprehensive experiment.

#### Footnotes

<sup>1</sup> (Criteria derived from indicators for control and evaluation are not applied to experimenting organizations). At the same time, it will also demand that the efficiency of using the credit be improved as a matter of principle.

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## GWIAZDA INTERVIEWED ON EXPORT STRATEGY

PM221339 Koszalin GLOS POMORZA in Polish 10 May 86 p 5

[Interview with Deputy Premier Wladyslaw Gwiazda by Mirosław Marek Kromer; date, place not given]

[Text] [Kromer] When reading the proposals for the second stage of the reform, one notices that only 7 out of the total of 174 proposals concern the management of our foreign trade. It is, of course, quality rather than quantity that matters here. The proposals promise few innovations and appear to bank on a continuation of our present policy instead. Do you not think, deputy premier, that our foreign trade results and general economic situation might suggest that we apply some firmer measures?

[Gwiazda] In the first place we must remember that our foreign trade results should be assessed in the light of the overall results obtained by our national economy. Foreign trade is not some autonomous field of enterprise. On the contrary, it is, as it were, a lens in which all of the country's economic problems are focused. Neither would I agree with the charge of not being bold enough in our undertakings. We decided to pursue the highly liberal policy of granting foreign trade licenses. The procedure will be almost automatic and will apply to both large and quite small enterprises in the same way. This kind of approach will revolutionize the whole field of our exports by allowing and encouraging direct links between our domestic producers and their foreign partners. In addition, in the second half of last year we developed a consistent package of export-stimulating incentives. To give you an example, tax allowances for enterprises which export their products have already proved to be of significant help with their financial situation. Exporters are still complaining that their allowances against the tax on wages above the normative limit are too low. We will consider their postulations shortly.

[Kromer] All the same, granting foreign trade licenses to exporters cannot be a substitute for the work of specialized foreign trade enterprises. But the latter have a very bad reputation with exporters. There is talk about sluggishness and bureaucracy hampering their operation...

[Gwiazda] The poor opinion of the work of our foreign trade enterprises is largely caused by the enormous difficulties they experience with realizing



import plans. For example, owing to broken importing contracts for machine elements, materials, and components producers are frequently forced to suspend the manufacture of a given product and seek substitutes elsewhere. Besides, the larger central firms are often too preoccupied with the realization of their big contracts to look after the interests of small-scale exporters. This is why foreign trade licenses should considerably facilitate flexible trade exchange with foreign partners. We estimate that this policy should result in a serious increase in our foreign trade turnover. But that is not all. We plan to create regional foreign trade enterprises and to open agencies of our largest foreign trade enterprises in voivodship cities. This will also bring our own exporters closer to their foreign clients. However, such innovatory ways of handling our foreign trade are also fraught with certain dangers. After all, foreign trade enterprises have the benefit of trained and specialized personnel, established contacts, their own market networks, and their store of experience. Newly licensed exporters will have to learn all this from scratch. To help them with their first steps, we will allow them to use our established markets abroad.

[Kromer] Are you not afraid, deputy premier, that such a multitude of economically independent exporters may result in a pricing rivalry between them to the disadvantage of the national economy?

[Gwiazda] The first symptoms of this phenomenon have already been observed. This puts the foreign trade minister under a new obligation.

[Kromer] Even the best-organized foreign trade will not flourish if producers lack the basic materials and components...

[Gwiazda] The stumbling block in the supply of materials and components is caused by the lack of hard currency for centrally steered imports of materials and semi-finished products needed in our industry. By 1990 the supply of materials and components will not grow by more than 7 percent. We hope that our difficulties with the supply of producer materials will be greatly eased as a result of the efficient functioning of the system of enterprises' hard currency allowances. We have already made a big step forward in allowing enterprises to open their own assets accounts. Now we need to sort out their hard currency allowance rates. In the past these were often set on the strength of individual enterprises' power and influence. We now aim to establish identical allowance rates for all enterprises operating within one sector.

[Kromer] Deputy premier, have you seen the POLITYKA article with an account of how representatives of a Polish foreign trade enterprise entertained a journalist to a meal in their hotel room? They boiled the potatoes in the wash basin using a small immersion heater and fried the eggs on an upturned iron. This illustrates how, on business trips abroad, their chief concern is to save their dollar allowance. Could they not be remunerated with a percentage commission on the contracts they help negotiate through their business acumen and initiative? It might encourage them to start traveling all over the country searching for exportable goods.

[Gwiazda] I agree with you. We ought to make far-reaching changes in the system if remunerating employees of foreign trade enterprises. We have already put together an initial outline of the proposed changes. Employees of foreign trade enterprises will draw a basic salary at their grade levels, and the rest of their pay will depend on their own effort and initiative and on their enterprises' hard currency revenues. Such a system is quite hard to work out in technical terms, but it is well worth trying to work it out.

[Kromer] Extraordinary situations require extraordinary solutions. The trouble is that our government representatives have assumed a somewhat condescending attitude toward the concept of creating customs-free zones in Poland. On the other hand, neither the Chinese nor the Hungarians have had such scruples and... they are already earning dollars.

[Gwiazda] The thing is not as easy as it might seem. As far as its formal aspect is concerned, we can start creating such zones straightaway. The Customs Law provides for such a possibility. The trouble is that if you want to earn money you must first invest in your designated area by creating a complete infrastructure, that is, a network of roads, wharves, and warehouses. This is not easy to do given the country's current payments situation. For the moment we are trying to interest our foreign partners in it, to ensure that our profits will exceed the costs which might be incurred in creating such a zone, say, along the coastline. The subject remains open.

[Kromer] What about companies set up with foreign capital? Are we not, by any chance, letting a good opportunity slip here? The published draft of the law suggests that certain socialist countries, including the USSR, offer far more advantageous terms to their trading partners...

[Gwiazda] I would not look at it in this way. The USSR is a more attractive trading partner than Poland, if only because of the size of its domestic market. All the same, we are at present talking with several dozen foreign trading partners and some of these talks are certain to end in negotiating a contract. Since this is an experiment, I do not rule out the possibility that after a 2 or 3 year trial period our offer will be made more attractive to foreign capital.

[Kromer] We have tried for many years to bring about a more dynamic growth in exports, but the results are not noticeable. Do you not think, deputy premier, that it is owing to natural market barriers? Prices of raw materials are falling and our consumer goods fail to match their foreign equivalents in terms of their attractiveness or up-to-date quality. Perhaps we should not look for an increase in our exports until we have successfully restructured our industry?

[Gwiazda] We have no alternative but to increase exports right now. This is necessary because of the country's economic situation. Of course, anything and everything can be sold. But how much longer can we afford to promote increased exports of raw materials? That is why we have prepared the so-called map of export-promoting projects. This is made up of some 400

projects, divided into short-term ones and those which need a somewhat longer time scale. As to the latter, we have applied to the World Bank for credits. Funds for the realization of the former are safeguarded by a resolution passed by the government presidium last September. We believe that realization of those projects will result in a significant growth of our exports. It is also necessary to choose the right export strategy. We must not delude ourselves that in a few years' time we will be able to compete with West European countries in exporting products of the electronic industry. On the other hand, we have very considerable potential in such fields as the chemical industry, light industry, or the agriculture and food industry.

[Kromer] But even the most ambitious programs for developing our exporting potential will founder when confronted with the stumbling block of the supply problems. Although in theory exporters are to be supplied with materials on a priority basis, in practice this is habitually ignored. The only sectors enjoying an abundance of materials and components are those which have the greatest weight and influence, such as mining or the metallurgical industry...

[Gwiazda] As far as rules and regulations are concerned, we have done all we could to ensure that the priority rule is observed in practice. The problem will disappear as soon as the system of centrally steered distribution is abolished and middlemen are no longer used. Enterprises which are financially the strongest will then have assured access to materials.

[Kromer] When can we expect the introduction of a management system in which economic success of any given enterprise will depend solely on its work efficiency rather than the deals it manages to pull off?

[Gwiazda] When society comes to accept the development guidelines mapped out in the proposals for the second stage of the economic reform; when the possibility of securing concessions in high places is no longer there because the concessions are granted according to an institutional system; when ministers are able to influence the course of economic processes in the sectors they administer but cannot hold any power over individual enterprises. We could continue with this list for a long time. It all depends on the realization of the second stage of the economic reform.

[Kromer] In our postwar history we have already tried to reform our economy several times. Such attempts misfired time after time. The experience of the past few years also points to the existence of strong opposition to any changes in our economic system and the way it operates. Why is it so? A move to a parametric system of economic management would result in massive job reductions in the ranks of civil servants employed in ministries and other central offices. So perhaps the central administration is not interested in a far-reaching change of the existing management model?

[Gwiazda] After the proposals for the second stage of the reform are accepted--I keep returning to them because they are all-important here--the question will become irrelevant because the reform will become a fact. I also think that there was much exaggeration in what you said about the central

economic administration. Its decisionmakers are by no means overjoyed that they are often required to intervene in trifling matters. We would like to focus our efforts on mapping out strategic directions of our economic development and leave the sorting out of things of lesser caliber to economic mechanisms. I think that the change in the competence of ministries will lead to such a situation.

[Kromer] Thank you for talking to me.

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## PLANNING COMMISSION DISCUSSES 1988 PLAN

AU100826 Warsaw TRYBUNA LUDU in Polish 2 Jun 87 p 2

[Text] PAP--The 1 June session of the Planning Commission Presidium discussed the preliminary principles of the 1988 Central Annual Plan and the draft decree of the Council of Ministers on the system of government orders for industrial production.

As Vice Premier Manfred Gorywoda said, the principles of the 1988 plan must be compatible with the goals and lines of the economic development stipulated by the 1986-90 plan, which means that the national income, consumption, and capital stock formation will continue to increase in 1988. For this reason it is necessary to continue to effect qualitative changes in the economy, a task that calls for more energetic efforts to employ the intensive factors of development. This is the goal of the second stage of the economic reform. It is expected that intensification of the economy should enable us to increase productivity so that it approximates much closer the rate of the national income, to achieve some 60 percent of this income through reductions in the consumption of energy and materials, and to improve the effectiveness of exploiting our production potential and of implementing investments.

The session noted that stimulating exports and promoting imports and domestic balance, especially the balance between the flow of cash and goods, are of key importance for the 1988 plan. In this connection the session stressed the need to search for bolder solutions to enable the enterprises that increase their exports to obtain convertible currencies for self-financing purposes.

The session noted that in 1988 crucial progress should be achieved in smothering inflation processes, the main source of which, under present conditions, is the excessive increase in personal incomes and in demand. Some 50 percent of the present inflation rate has been caused by the excessive upsurge of wages compared with production increases. The session agreed that without mastering this phenomenon it will be impossible to ensure the effectiveness of reform mechanisms, unleash the upsurge of effectiveness, stimulate an enterprise spirit, and consequently halt the surge in the cost of living. The economic policy to this effect and the instruments of plan implementation linked to this policy should be worked out on the strength of the results of the discussion of the theses on the second stage of the economic reform.



The principles of the 1988 plan incorporating the results of the discussion will be submitted to the Council of Ministers and then to the people for consultations.

Government orders for industrial production are some of the important instruments by which the state can stimulate an innovative spirit in plants and eliminate technical and supply problems and shortages of consumer goods. The session discussed the draft decree of the Council of Ministers on the principles of making such orders. The decree introduces new solutions into present practice. Seeking to increase the effectiveness of such orders and to enable plants to realize contracted orders, it has been decided to greatly curb their range. This applies primarily to annual orders. In line with the provision of the national socioeconomic plan, the last two operational programs will be eliminated and their basic functions will be taken over by government orders.

The draft decree provides for waiving all regulations to date concerning government orders, so that the legal system in this regard can achieve greater clarity and cohesion.

During the session Vice Premier M. Gorywoda handed a decree of the chairman of the Council of Ministers to Janusz Pawlowski, minister of labor, wages, and social affairs, making him a member of the Planning Commission.

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## GORYWODA VIEWS REFORM SECOND STAGE

AU120910 Warsaw RZECZPOSPOLITA in Polish 2 Jun 87 p 3

[Bozena Papiernik and Mariusz Chmielewski report: "We Must Forge Ahead Despite Difficulties--Vice Premier Manfred Gorywoda, chairman of the Planning Commission, Attends RZECZPOSPOLITA Discussion"]

[Excerpts] The publication of the theses on the second stage of the economic reform was a signal to start a nationwide discussion on the country's development. Workers teams, plant cadres, and scientists continue to air their views on this subject. One event in this nationwide discussion was the open party meeting organized by RZECZPOSPOLITA. Below is a report on this meeting, which was attended by Manfred Gorywoda:

[Question] How can one explain the fact that the theses have appeared only now, that is, several months after the 10th Congress, which clearly stipulated the lines of the economy's further reconstruction, known as the second stage of the economic reform? Do the delay in publishing the theses and the long preceding debates on them weaken our activities?

[Gorywoda] The idea of drawing up the theses on the second stage of the economic reform was born at the end of 1986 during the Economic Reform Commission's discussion of changes in some economic laws. However, we must not treat the theses as something exclusive and absolutely new, because they are rooted in much earlier ideas which were born during the Poznan party-economic session in May 1985 and which are based on the resolutions of the 10th Congress and the Sejm. They were also discussed long ago by scientists and experts. The substance of these theses is contained in the 1986-90 socioeconomic plan--whose main tasks include issues such as achieving economic and market balance, cutting down inflation for the benefit of the people, and reducing the value of 1,990 subsidies by between 50 and 75 percent--which depends on restructuring prices; introducing realistic foreign exchange rates; and realistically evaluating production assets, the sinking fund rates, the scale of taxation, and the interest rate on loans.

It can therefore be said that basic ideas were formulated at an earlier date, which does not mean that the theses do not contain new and novel ideas and proposals. For example, this is the case with the proposal that we should abandon the present concept of founding bodies and adopt a new mechanism of

enterprise supervision. Many issues have been developed and defined with precision by the theses, as is attested to, for example, by the proposals concerning turnover capital.

As you can see, many issues were formulated by earlier documents in total and in part, and it was necessary to unite them into a homogeneous concept. Many issues had to be presented in more specific detail, but this required time. Let me say that proposals were discussed with great intensity and that six versions of projects were on the agenda. Many ideas were also supplied by the third plenum. All in all, I think that we should not assert that there was a delay in drawing up a document like the theses, which close a stage in the work of various bodies.

[Question] Aside from economic balance, which issues are next in importance for accelerating the reform?

[Gorywoda] The next important issues are primarily realistic economic factors such as prices, the convertible currency exchange rate, and interest rates, which will promote correct economic accounting. The other important issue is to create conditions to facilitate the flow of capital and manpower so that they are deployed wherever they can produce the best results. What we are suffering from today is the system of branches. Managing cadres are not used to other, new forms by which production and turnover are organized and show little initiative to leave the branch arrangement behind. But the important thing is to boldly leave it behind and set up those companies and units of enterprises that promise the best dividends.

[Question] The technicians' congress noted that people may interpret the program contained in the theses as a program of sacrifices and austerity, and may find it difficult to see its virtues and advantages.

[Gorywoda] This program is difficult and cannot be implemented in such a way that people are generally satisfied. We have to expect a polarization of positions because it is difficult to avoid resistance to such profound and thorough changes. We must not lead people to believe that upcoming processes will be simple and easy. Still, I am convinced that our people are fed up with all the shortcomings and inconveniences resulting from economic ills, the ailing market, and high inflation, and that they are tired of thinking of the uncertain future. The program provides for eliminating or at least greatly reducing these shortcomings in the next few years. In my view these are the indisputable virtues of the program. If these virtues are properly presented, people will approve of them.

[Question] It is realities and not slogans and ideas that appeal to people. Why, therefore, has the basic issue such as the speed and manner of achieving economic balance been presented with so little specific detail? No estimates are available and we do not know how a selected alternative will affect our living conditions.

[Gorywoda] Our task to achieve economic balance began a long time before the theses. A special team of experts will soon complete calculations and estimates to shore up various alternatives with specific details. Do you think we should have submitted these estimates for discussion together with the theses? We did not want to do this because we thought that the discussion might be focused on prices and incomes, and all the issues of the second stage would be ignored. That is why we did what we did and intend to submit the issue of how to achieve economic balance for general discussion at a later date. This discussion will be based on findings produced by the aforementioned team of experts and on a document prepared by the Economic Consultative Council.

[Question] The theses contain a long-term and probably correct solution with regard to wage policy: general taxation on personal incomes or wages.

[Gorywoda] I think that this is the correct road to restore control over the development of wages. The only question is whether society will approve of this solution.

[Question] What will the second stage produce?

[Gorywoda] We are prone to create and believe in myths. One thing I have to do is to speak the naked truth about the economy, which will not become more effective if the reform mechanisms do not function properly. Improving their efficiency is the task of the second stage. Some people think that the 5-year plan is one thing and the second stage of the reform is something quite different, something more than the 1986-90 plan. This is not so. People often ask me about possible results of the second stage. They ask me, say, about the number of additional apartments. I do not know. All I know, and I am deeply convinced of this, is that the effective implementation of the second stage should create better conditions under which to achieve our planned economic social goals. People find it hard to forget promises that have not come true. Forgive me for having to return to issues that are fundamental for the 5-year plan. We are expected to achieve over 50 percent of the increase in national income by reducing the consumption of energy and materials. This reduction will not be achieved automatically. To achieve this reduction we need more effective mechanisms that can guarantee that economic effectiveness can be improved as planned, and that production tasks can be accomplished.

[Question] Is the government aware of the fact that our people are exhausted on account of the ills of our economy?

[Gorywoda] Certainly. That is why it is determined to accomplish the second stage of the economic reform. It is very difficult to forge ahead, but the dangers are greater if we mark time. And do we have any choice? The only alternative is the stagnating economy, which under our conditions denotes a regression.

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## CC SECRETARY VIEWS FOOD PRODUCTION

AU241102 Warsaw ZYCIE WARSZAWY in Polish 19 Jun 87 p 6

[Text] PAP—Zbigniew Michalek, PZPR Politburo candidate member and Central Committee secretary, met [date not stated] with private, state, and cooperative farmers in the farm combine in Glubczyce, Opole Voivodship, to discuss the functioning of the food economy.

[Michalek] We cannot grumble about bad years in farming because the weather has been good and because farming has made good progress as a sector of the nation economy. For example, in 1971-75 average grain yields amounted to 25.2 quintals per hectare, in 1976-80 to 24.8 [24.8] quintals, but in the past few years to 30.4 quintals. This means considerable progress, but we are not so pleased when we compare the national average with the Opole average—some 40 quintals of grains per hectare. As for the Glubczyce combine, it harvests almost 60 quintals per hectare. This means that we could easily increase the national average yields of grains.

No plant can claim that it can achieve something without work discipline. Assertions that you can achieve something without work discipline are fairy tales. Is it easier to enforce work discipline in farming than in other sectors of the economy? It certainly is because farmers have to obey the laws of nature.

Some 300,000-350,000 babies are born in Poland every year now, and this continues to increase our food needs. If the annual natural increase amounts to about 1 percent, farm production has to increase 2 percent. Our natural increase since the war has been as big as Czechoslovakia's present population. This illustrates the size of our needs and the necessity to develop food production still further.

[Question] Farm produce procurement prices will again be raised as of 1 July, which means that retail prices will go up sooner or later. This will have created a vicious circle. Is it possible to find a way out of it any sooner?

[Michalek] Farming is not interested in pushing up procurement prices over and above actual production costs. We could do things in another way if we were isolated from the entire economy, but in such a case there would be no incentive to keep a cow because it is easier to go to a shop and buy milk more

cheaply. We would have the same situation in the case of meat. As you can see there is a genuine link between procurement prices and retail food prices, although no one likes this link. It would be funny if anyone would say that we are pleased with price hikes. After all, we all have two souls: The soul of the producer who wants to obtain the biggest price for his milk and meat, and the soul of the consumer who wants to buy milk and meat at the lowest price possible. We must find a solution to ensure that wages depend on production results throughout the economy. This means that wages will be able to go up by the amount by which production effectiveness really increases.

Is it possible to create a "healthy" food market in our country, one that is based on true production costs and true productivity? Of course, it is. Take the fruit and vegetable market, with the functioning of which no one interferes and yet the prices of these products do not increase fast and apples are on sale all year round. This is a result of the law of supply and demand. A bad farmer whose production costs are high has to give up. As you can see, there are areas in our market in which supply and demand are balanced. We will seek to increase such areas so that our living conditions continue to improve.

[Question] It has always been stressed that farming is a single entity and that there are good and bad farmers. But there are many differences between state and private farming. By increasing his production the private farmer can increase his income in an uncontrolled way, but state farms can increase wages by no more than 12 percent.

[Michalek] State farms are my roots, but I do assert that farming is a single entity, that it can be divided into good and bad farming, and that we will always be for productive farming and against bad farming. What is the connecting link? All prices and taxes are the same. The availability of production means is more or less the same. The only difference is the scale of production and employment. In Glubczyce 9 workers look after 100 hectares of farmland, which is almost 3 times fewer than the national average. That is why reduced manpower has to be made good by increased supplies of machines.

One thing must be clearly understood: It is not true that private farmers make their money in an uncontrolled manner. After all, the state still continues to fix procurement prices. So if you are a good farmer you get your money and if you are a bad one then you go to a meeting and grumble because there is no other way out. As you can see, prosperity should be a result of work.

[Question] But we [state farms] are subject to wage increase limits, although we are good workers.

[Michalek] No one looks inside private farmers' pockets. Nor has anyone any reservations against producer cooperatives, even against those that engage in nonagricultural production. The thing is that these cooperatives would never engage in such production if no one wanted it. On the other hand, state farms have been a favorite child for many years, except that it has been treated in

a different manner. We have already taken the first step toward ensuring that the work force's share in profits is the yardstick of the state farm's performance. Please read once again the theses of the second stage of the economic reform and you will see that we want to abandon the present criteria. The government has introduced the new measures because it is unable to withstand the pressure generated each year by the mechanism of prices and wages.

The limits on wage increases are a temporary measure and will be dropped in the future.

[Question] What about supplies of fertilizers, plant protection chemicals, and fuel to farming?

[Michalek] In the next few years the average per hectare consumption of mineral fertilizers will amount to 190 kg in terms of in pure component equivalent and will increase to 214-215 kg in 1990. I estimate the demand for minerals at 250 kg, but this figure may not be the same everywhere.

The shortage of fertilizers makes it necessary for us to use every kilogram in the most effective manner. That is why we must practice the most modern cultivation methods on the widest possible scale. I also recommend you to make progress in plant protection. At this point it is necessary to reveal another truth about fertilizers, namely, that the price farmers now pay for fertilizers covers merely 30 percent of actual production costs and that the rest is covered by subsidies. This means that he who uses more fertilizers strikes a better bargain. For this reason we want to make fertilizer prices more realistic. This operation would involve fertilizer price hikes together with procurement price hikes.

Coal supplies to rural areas will go up by 1.8 million tonnes. This is the decision, but, unfortunately, this amount is not enough.

[Question] Is the farm produce export profitable?

[Michalek] The theses of the economic reform second stage state that the profitability of the farm produce export should be calculated in another way. If we want to enter foreign markets we must offer quality goods which must not be more expensive than, say, Dutch goods. However, our production costs are high and our procurement prices are high. Please do not get offended by what I am saying. In a word: Everything boils down to social productivity.

Coal is the best index of export profitability. We receive \$45 for a tonne of coal, which amounts to Z11,610 at the present rate of exchange. But how much do you pay for coal in village cooperative shops?

You know how much. We can sell 1 kg of frozen strawberries for 70-80 cents, that is for Z178. If the costs of procurement and deep freeze amounted to this figure the export of strawberries would be very profitable, but these costs are higher. That is why we have asked for a different method of cost

calculation to include import commitments. This is the index of the relative profitability of exports.

We can also calculate this profitability in another way. Last year average rape yields amounted to 23 quintals per hectare countrywide. We sell part of the seeds because we cannot process them and we obtain \$200 a tonne. This means that we can obtain \$460 for a hectare of rape and that we can buy 46 quintals of wheat for these dollars. This is also profitable, but the thing is how you calculate. Aside from this, we have to keep up our farm produce export for a very prosaic reason: We have nothing else to export because our technologies are not sophisticated enough. At present, the farm produce export is truly an important position in our foreign trade, and we will seek to ensure that this position does not shrink.

[Question] We often hear about large losses that occur between the field and the table. Some people mention a figure as high as 30 percent. Is this possible? How can we combat this phenomenon?

[Michalek] We must distinguish losses from waste. Even potatoes stored under ideal conditions will lose some of their nutritious value.

But it is another thing when someone transports grain in a leaky container and loses some of it. There is nothing easier than to stop the leak. We must eliminate waste.

We also suffer losses through so-called natural calamities. Last year we had a bumper harvest of apples and were unable to process them. We spend a lot of money on processing and so does the Mortex organization and farm cooperatives. We have accomplished a great deal in this regard, and today Poland is one of the major producers of concentrated fruit produce.

Unused potential opportunities are often regarded as losses. By combatting grain fungus we can increase grain yields by 7 or 8 quintals. But if we do not combat fungus we do not regard these quintals as lost, which means that we neglect potential opportunities to increase production. Another example: If we sprayed all our potatoes with plant protection chemicals we would not have to use 2 million hectares for potato cultivation because with the help of such chemicals the per hectare yields of potatoes would go up to 250 quintals. As you can see, we have to be correct in interpreting the allegation that we lose one-third of our farm produce. We should not always assume that these losses are exclusively a result of waste. We lose by failing to fully exploit our potential opportunities.

[Question] What about that river of milk. It is drying out slowly, but in Opole region milk production still continues to increase.

[Michalek] For a long time the quantity of milk was related to the number of cows, but our cows' production of milk keeps on increasing slowly so that now each cow produces 2,970 liters on the average annually. However, this average includes cows that produce some 6,000 liters and those that produce fewer than



2,000 liters. If the number of cows producing less than 2,000 liters goes down no harm is done because a cow has to be fed even if all it does is to moo.

Neither the dairy nor food industry are adequately developed. A river of milk floods us mainly in June and July when we procure some 41 million liters of milk, whereas in January we procure merely 20 million liters a day. We say that we should raise milk production in the winter. How? The main and simple way to do this is to keep the manger full of feed. No wonder that milk has to be expensive in the winter.

We must be inspired by two goals: We must expand the industry so we do not have to transport milk and we must employ all organizational facilities to make milk and livestock production profitable all the year round.

[Question] I am afraid of the future. When I took over the farm from my father it totaled 27 hectares, but I increased this area by 50 percent. This does not mean that my income has gone up by the same percentage. The increase is much lower. That is why I think that I will still have to increase my farm to be able to keep up my present living standards. But where can I obtain manpower?

[Michalek] We must reckon with the fact that in the future he who produces more cheaply will find it easier to see his products. This is one way to stimulate productivity. However, we must take account of reality. If we have in Poland 5-hectare farms and we want all such farmers to enjoy good conditions then we must ensure minimum earnings for them. However, the future belongs to larger farms.

We know the theory of rapidly increasing the area of a farm, but our system provides social care for old people who are no longer able to farm. That is why we cannot tell these people to give up their farms. We can tell this to those who can give up their farms, but do not want to. Why should we be sentimental vis-a-vis such people? But for those who want but cannot we must provide a shield of social care because of their ages and sickness.

[preceding paragraph as published]

[Question] Women working in rural areas lack many articles, including washbasins, bathtubs, and washing machines, and this makes life difficult for them.

[Michalek] Life in rural areas is not more difficult. It is different. We will not be able to change overnight the rural infrastructure--outlying farming facilities and scattered living quarters. If anyone were to say now that each village will soon have tap water he would be telling fairy tales. We have achieved a great deal by providing electricity for villages. People in rural areas have learned to use bottled gas, but the production of this gas is limited by limited crude oil imports.

There is one way out. We must push our production far enough to be able to buy much more than at present. This is the task for industry and farming as well as export, but primarily for the people, who must have a better knowledge of what they do and must put more heart into what they do.

Rural areas continue to receive more and more clothing, household goods, and other industrial articles. We must remember that we had to make a start from a very low position. Still, we continue to shake off our crisis, albeit with difficulty. That is why when we speak of the economic reform second stage we have in mind primarily efficiency, meaning that if we produce something from some material, say, a bathtub, we do not produce it to throw it away because it leaks. This is precisely where we make losses. We consume materials and energy, but often to little purpose. I regard efficiency not only as a means of increasing production, but primarily as a method of improving quality. This is because efficiency means going for whatever is good: good farmers, good workers, and good plants.

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## ZSL, PZPR ADOPT DECISIONS ON AGRICULTURE

AU241238 Warsaw TRYBUNA LUDU in Polish 20-21 Jun 87 p 3

["Decisions Adopted by the PZPR Central Committee Politburo and the Presidium of the ZSL Supreme Committee Following an Assessment of the Implementation of the 11th Joint Plenum Resolution"]

[Text] Reviewing the progress that has been achieved in the implementation of the resolution adopted at the 11th joint plenum, the PZPR Central Committee Politburo and the Presidium of the ZSL Supreme Committee positively appraised the results obtained by agriculture and the food economy during 1986. This was due to the active and productive work of farmers in all sectors, work forces producing capital goods for agriculture, and persons employed in the agrofood industry and rural services. Their conscientious work has made a significant contribution to raising national income and improving the satisfaction of society's foodstuff needs.

Wanting to ensure the further consistent implementation of the principles of agricultural policy that were adopted jointly and contained in resolutions passed at the 11th plenum and the 9th and 10th congresses, the PZPR Central Committee Politburo and the Presidium of the ZSL Supreme Committee consider the following steps essential:

1. An increase in the procurement price of agricultural produce, to be introduced on 1 July and accompanied by an adjustment in the price of some agricultural capital goods, in order to improve the profitability of agricultural production, arrest the decline in the income parity of persons employed in agriculture, and establish appropriate price relations.
2. The acceleration of work on applying the principles of the second stage of the economic reform in the agrofood complex while taking account of the characteristic features of agriculture and food processing in ensuring the efficient satisfaction of society's foodstuff needs and the possibility of increasing the role of agricultural and foodstuff exports in the process of achieving economic and market equilibrium.

With this goal in mind, material and reports produced by the following should be examined and used; PRON; the National Union of Farmers, and Agricultural Circles and Organizations; agricultural and rural cooperative organizations;

the Union of State Farms; outstanding specialists in theory and practice; and social and opinion-formulating groups that are interested in this issue.

3. The effective resolution of problems connected with the self-financing of farms, consumer service units, and agrofood industry plants that are not sufficiently profitable on account of the difficult conditions under which they operate. Regional conditions must be taken into account in the economic solutions contained in agricultural policy.

4. A critical analysis of the implementation of investment plans for the agrofood industry and measures to ensure that the tasks contained in the National Socioeconomic Plan are fully accomplished. This particularly applies to plants producing capital goods for agriculture, the agrofood industry, transportation, and consumer services.

5. The further intensification of vegetable production that has a bearing on the expansion of animal production. This particularly applies to ensuring the execution of plans for the expansion of grain production to a level of 35 quintals per hectare. To achieve this objective it is essential that agriculture's needs are satisfied with regard to lime-magnesium fertilizers, plant preservation agents, and mineral fertilizers. Measures should be taken to ensure that these production inputs are supplied regularly and in accordance with agrotechnical schedules. It should also be ensured that scientific and technical developments are applied more rapidly and effectively in agriculture, that grain is treated with mordant on a much wider scale, and that there is an increase in the sowing of new strains and certified types of grain.

6. Developing animal production in a way that takes account of our own domestic stocks of feeds. The following are necessary: the intensification of feed production, particularly in permanent grassland areas; the rational feeding of animals; an increase in their yield; and the rational use of livestock facilities.

7. A solution to the problem of supplying agriculture and the countryside with fuel. It is essential to accelerate the production of equipment for the economic combustion of coal and other sources of energy and to reduce the energy-intensiveness of housing and production facilities.

8. A new analysis of the possibility of increasing the production and supply of high-duty sprinklers; sowing-machines; machinery for the spreading of lime and the gathering of green forage; and the comprehensive cultivation of soil in a way that is economic in terms of energy. There should be a continuation of actions aimed at achieving a definite improvement in the quality of machinery produced, and ensuring the essential supplies of spare parts and a further increase in their recycling.

9. The accomplishment of land reclamation tasks over the course of the 5-year plan in accordance with the provisions of the National Socioeconomic Plan. It is also essential to ensure the supply of domestic and imported land



reclamation equipment. Measures have to be taken to ensure the rational use and maintenance of land reclamation equipment.

10. Actions aimed at introducing more discipline into the use of agricultural facilities and limiting their use for purposes that are unrelated to agriculture. The use of poor quality land or land that is not in permanent use calls for decisions that create economic incentives and the technical improvement of farms that are involved in the cultivation of such land. In order to simplify procedures and accelerate the rotation of land, land mergers, and land preservation, amendments should be introduced to certain laws that are in force.

11. The continuation of changes in the system of production services for individual farmers. In addition to the main course--the strengthening of the leading role of agricultural circles in the provision of services to economic units--there is a need to accelerate the development of various forms of services operated on a private, craft, or neighborhood basis. Support should also be given for the group purchase of machinery, which ensures that such machinery is used more efficiently. To ensure that machinery, tools, and implements are used more effectively, measures should be taken to surmount organizational, economic, branch and sectional obstacles, and to use all existing workshops, spare part stores, and sales outlets.

12. The introduction of further privileges, principally credit privileges connected with the expansion of rural housing construction for farmers and employees of socialized farms, people working for the countryside, teachers, health service employees, and agricultural specialists.

13. Support for activities aimed at rebuilding the production base for fruit-farming, which was destroyed by frosts, and the provision of necessary assistance to farms that suffered as a result of this year's floods.

14. Supporting the appointment of the best people to managerial positions, that is, support, regardless of organizational affiliations, for people who think innovatively and take bold action in connection with the modernization of the countryside and agriculture. The withdrawal of support and recommendations from people who hamper progress in implementing the joint agricultural policy. Ensuring that the qualifications of leadership cadres are constantly improved.

15. The continuation of a more effective struggle against causes and manifestation of pathology in the socioeconomic life of the countryside. This particularly applies to alcohol abuse, cliquishness, favoritism, and bureaucratic procrastination in serving farmers and rural inhabitants.

The PZPR Central Committee Politburo and the Presidium of the ZSL Supreme Committee recommend that all PZPR and ZSL members working in agriculture, the food economy, and in branches of the national economy working for these sectors, step up activities that encourage the further development and enhance the implementation of the joint agricultural policy. There continues to be a

need for activeness and effective activity on the part of PRON activists and members of the party, the ZSL, and youth organizations in increasing initiative among agricultural and rural self-management bodies. This should particularly manifest itself in the form of social action and in fostering an atmosphere that encourages the preservation of the rural environment, the purity of waters and the beauty of the countryside, and a general improvement in the working and living conditions of the farming population.

The PZPR Central Committee Politburo and the Presidium of the ZSL Supreme Committee ask the government to take steps aimed at ensuring the implementation of the decisions that have been adopted.

The PZPR Central Committee Politburo

The Presidium of the ZSL Supreme Committee

Warsaw 16.06.1987

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## BRIEFS

**CHINESE, POLISH ECONOMISTS MEET**--On 16 June at the main office of the Polish Economic Society a delegation of economists from the Chinese Association of Economic Sciences met with the leadership and aktiv of the Polish Economic Society. The meeting marked the beginning of Chinese-Polish cooperation in the field of economic development. The meeting was chaired by Professor Zdzislaw Sadowski, the president of the Polish Economic Society, who described the main themes of the current development of the Polish economy and the society's scientific work. The head of the Chinese delegation, Prof Zmu Chuan, president of the Chinese Association of Economic Sciences, stressed the common interests of Polish and Chinese economists stemming from the Marxist-Leninist method of improving economics and socialist economies, which requires above all the transformation of social consciousness and the search for economic laws of socialist development. [Text] [Warsaw TRYBUNA LUDU in Polish 17-18 Jun 87 p 2] /9599

**ECONOMIC REVIEW GROUP**--A group for reviewing the organizational structure of the party's economy, and a government commission for the review and modernization of the national economy and state structure, met today under the chairmanship of Deputy Premier Zbigniew Szalajda. The commission approved the organizational and legal assumptions for creating a company formed of enterprises of the electronics industry. [Text] [Warsaw Domestic Service in Polish 1700 GMT 19 Jun 87] /9599

**TEXTILE FAIR OPENING**--Warsaw, 17 Jun--"Interfashion-87" is a newly-established international fair of clothing, fabrics, textiles, and leather products based in Lodz and was opened today by Vice-Premier Wladyslaw Gwiazda with Soviet Union's Vice-Premier Vladimir Gusev attending among the guests. As a branch of the Poznan international fair, "Interfashion" is held in Lodz, the centre of nearly 40 percent of Poland's light industry, to enhance contacts between buyers and producers. The "Interfashion-87" has attracted 33 exhibitors from 11 countries and 42 Polish firms and will last until June 21st. [Text] [Warsaw PAP in English 1953 GMT 17 Jun 87] /9599

**ECONOMIC TALKS WITH GREECE**--Warsaw, 24 Jun--Polish Minister of Foreign Trade Andrzej Wojcik and Greek Minister of Trade Panayiotis Roumeliotis are heading delegations to the Polish-Greek economic talks which started here today. The sides analysed the development of bilateral talks exchange and prospects for economic cooperation. It was acknowledged that there are possibilities to increase bilateral turnover. Poland is particularly interested in increasing its exports of investment goods and processed industrial goods, while Greece

wants to boost sales of its traditional goods to Poland and its exports of processed farm products, chemicals, textiles, and materials for the Polish industry. Today, the Greek minister also met with the president of the Polish Chamber of Foreign Trade, Ryszard Karski. [Text] [Warsaw PAP in English 2218 GMT 24 Jun 87] /9599

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## LONG-RANGE FORECASTING IN SLOVAKIA FOUND WANTING

Bratislava NEDELNA PRAVDA in Slovak 20 Feb 87 p 6

[Excerpts from interview with Eng Fedor Gal, candidate for doctor of science, conducted by Michal Ac, editor of NEDELNA PRAVDA: "Key to the Future"]

[Excerpts] Eng Fedor Gal was born on 20 Mar 1945 in Terezin... Since 1982 he has worked in the Office of the Theory of Science and Long-Range Planning of the Slovak Academy of Sciences [SAV] Computer Center. He is a member of a collective that develops long range plans for the development of science in the SSR. He has authored or co-authored more than 100 professional articles, research reports, and monographs. In 1983 the Smena Publishing House published The Future in Light of Long-Range Planning [Buducnost vo svetle prognostiky] which he co-authored along with Josef Alan, Ph.D., candidate for doctor of science, Our editor, Michal Ac, conducted this interview with Eng Fedor Gal, candidate for doctor of science...

[Answer] One can date the beginning of long-range planning in our country to the first half of the 1960s. The beginnings were very modest, and confined mainly to the initiatives of some courageous individuals. Much more was said about it than was actually done to further its development. Long-range planning, which could have assisted in the development of enterprises, science generally and, in short, our entire society, has still not established itself as a recognized science. Even today it is the province of a small group of people, suffers from inadequate equipment, information, and poorly trained personnel. It does not even have a system for training its own experts.

[Question] What in your opinion is the reason for this poor status of our long-range planning?

[Answer] Mainly this is due to an incorrect understanding of long-range planning and its place in society. Our campaign mentality and the unrealistic nature of our objectives have caused it to develop unevenly. There have been strong tendencies, for instance, to make long-range planning a mere servant of planning. The result has been that long-range planning has enjoyed periods of euphoria, which have rapidly alternated

with stunning falls into disfavor. One important circumstance has been our reluctance to allow for the possibility in our planning of negative development trends. This courage has been lacking not only in the developers and users of long-range planning, but in the planning methodology itself. When, for instance, long-range planners warned 10 years ago of growing negative trends in the economy, almost everyone turned their back on us. Put simply, the overall social atmosphere was not inclined to accept such a critical approach. Only when the problems had become serious did many people recognize the significance of long-range planning, which had been able to identify these trends in advance.

[Question] If I understand you correctly, you were making long-range plans for the drawer, so to speak?

[Answer] And you, journalist, haven't you ever written an article for the drawer?

[Question] Sure, that happens now and again.

[Answer] OK. Conceptions of a conflict free evolution of socialist society were too prevalent, too deeply rooted. Anything that did not correspond to preconceived notions had no chance of seeing the light of day, of penetrating the consciousness of the general public.

[Question] Has the situation begun to change now?

[Answer] There are signs that attitudes are changing, and we find this exciting. The concept of a permanent and comprehensive need for long-range planning that takes account all aspects of development is beginning to take root. This expands the opportunities for applying our work. Recently, for instance, we completed a project involving long-range planning for the development of Slovak science, as part of an overall long-range plan for the development of Slovakia through the year 2020. With the support of senior members of the Slovak Academy of Sciences, our young, 10-member collective enlisted the support of some 400 leading Slovak scientists from various fields in this long-range planning work. This allowed us to draft a plan that is based on solid analysis of the current problems and developmental possibilities for Slovak science.

[Question] What you are saying is that a long-range plan should be based on a complete knowledge of the current situation. What diagnosis did you arrive at for Slovak science?

[Answer] One frequently hears that Slovak science is young and small. In reality it actually contributes only about two-tenths of one percent of the annual increment to worldwide scientific knowledge. Despite this reality, we have been making our plans as if we are a world R&D superpower. This has forced our scientific community to expand its efforts rather more widely. These fragmented efforts have been resulting in fewer and fewer original findings that will stand up to world standards. The rigidity of the current planning process actually causes more problems

for science than it solves. One reason for this is that it does not allow for any significant dialog between those who are performing scientific research and those who are funding it. The reality is that most of the resources going to scientific research go to the people who have the best connections and make the most commotion, rather than to those who are doing the best work. This logically leads to the suppression of original, highly creative scientific work, which is by nature like playing the lottery. It is unfortunate that the current system rewards the best those who take no risks, do not fight, do not search, but only fulfill the plan with as little effort as possible.

[Question] This reminds me of the situation in our enterprises.

[Answer] Does that surprise you? Science is a functional subsystem of society. It can therefore not operate at a level any higher than that of the economic system. The logic of development is such that if the economy and production relationships are behind the times, then science will also be behind the times. The opposite is also true, of course, but the system of economic planning and management, the economic system plays the critical role here.

[Question] It is said, however, that a truly talented person will always find a way to pursue that talent, regardless of external conditions.

[Answer] I disagree. It is true that we have one or two outstanding individuals who have made their mark in the world scientific community. These are exceptionally talented and conscientious people, to an abnormal extent I would argue, because they frequently conduct their activities in conflict with the rules of the game as it is usually played. This means that they are always getting into various conflict situations which results in lost time, frayed nerves and wasted energy. Who knows what such people would be capable of if they could devote all their efforts to their scientific work? Moreover, research conducted by Vladimir Cermak, doctor of natural science, of the CSR Institute for the Development of Colleges in Prague indicates that only one out of every 13 talented individuals eventually finds an opportunity to apply these creative abilities. I would contend that this is an awfully low percentage.

[Question] How can we stop this waste of talent?

[Answer] As I have already stated it is essential to make changes in the economic system, and especially in planning. The planning process must become one of dialog between science and the center. This presumes, however, that this dialog principle will be applied throughout the economy. It is furthermore essential that significantly more support be provided for promising areas of scientific inquiry. This support should be precisely tailored to need and potential. It is also necessary to change the criteria for evaluating scientific work. The basic criterion should be the value of the research result itself, when placed in a worldwide context. The number of titles or degrees is not the important thing, in

other words, but world acceptance of the results and a contribution to the resolution of our most serious problems. Moreover, the relationship between teacher and pupil should change in the education system, in a way that will nurture the creativity of the students. The system for selecting people for scientific work should be changed to emphasize true talent, rather than mediocrity. Colleges should function as research centers, transferring research information to the pedagogical process. This will require much more flexible foundations than currently exist. One of the most important conditions for progress is to strengthen scientific discussion, make access to world information easier, as well as access to worldwide scientific centers. Saving money and cutting corners in this area is the worst kind of frugality that I can imagine. Without communication to the world scientists cease to be scientists.

[Question] It is also said that a scientist also ceases to be a scientist once he becomes a manager, that it is impossible to manage and pursue scientific research at the same time.

[Answer] Although there are exceptions, this is basically true. A potential solution would be to set up adaptable, flexible organizational forms for the management of science. Each person would manage only that type of work in which he is an expert, and would be engaged in management only when not involved in research. This will require, however, a change in our approach to the selection and evaluation of managers for science, probably in the direction of some form of competitive selection. Managers should mainly be people who have an informal sort of authority that is based on their track record in research as well as their ability to lead a collective. It is important that a collective recognize its manager first as a colleague, and only secondarily as a superior.

[Question] That should be true not only in science, but everywhere.

[Answer] Of course. My opinion is, however, that the principle is doubly applicable to science.

[Question] Does it seem to you that we have strayed from our original topic?

[Answer] You know, I don't believe so. We have touched on an area that on the surface seems to have nothing to do with long-range planning, or the global problems of human civilization. However, if we are to make a contribution to the resolution of these problems we first need to resolve some very fundamental issues here at home.

[Question] We have also been talking more of the past and present than of the future...

[Answer] Without a full understanding of where we are now and of where we have come from, is it really possible to take fruitful steps towards the future? Hardly. There are, however, various ways of understanding the

present and the future. I am an advocate of not attempting to view the future with the eyes of the present, but of viewing the present with the eyes of the future. It is in this area that long-range planning can really help. This will be true, certainly, only if a true dialog is set up not only among scientists of all fields and interests, but also among people of various nations occupations, characters, and opinions.

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## NEW TYPE OF SCHOOL OPENED

Bratislava PRACA in Slovak 27 Mar 87 p 2

[Article, author not given: "The Only One in Europe"]

[Text] Bratislava (Praca)--yesterday marked the official opening, in the presence of representatives of the SSR Ministry of Culture, the Slovak National Theater, and other guests, of the building housing Workshops for the Slovak National Theater Practical Training. This facility, located in Bratislava, is not only the first of its kind in Slovakia, but the first independent facility in all of Europe for the training of working class youth for the field of culture. The building, in which the SSR Ministry of Culture and the Slovak National Theater jointly invested some Kcs 4 million, will be used for the training of professionals in scene and costume design. These include fine cabinet makers, metalworkers, locksmiths, scene painters, shoemakers, wig makers and makeup artists, and in the future will also include painters of scene decorations. Eventually the program will involve 4 years of study leading to a secondary school diploma.

The Slovak National Theater currently trains skilled workers in the artistic and trade professions for 19 organizations, most of which are in the cultural area. The opening of these new Practical Training Workshops, by placing all the related stage management professions under one roof has created optimal conditions for the quality professional training of those who we never see in the theater, television or movies, but whose quality work assures that our experience of a dramatic work will be as convincing as possible.

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## FEW WOMEN FOUND IN MANAGEMENT POSITIONS

Bratislava ROLNICKE NOVINY in Slovak 10 Apr 87 p 2

[Article by Lucia Mackova: "A Woman With an Education, But Still Disadvantaged"]

[Text] The times are past when it was said with some irony that a woman is good for cooking and keeping a man's bed warm. Now, according to recent research conducted by the Ministry of Labor and Social Affairs of the SSR, the education level of women employed in the SSR economy has increased sharply in recent years.

This reality changes, however, when one asks the question of how many women are in managerial positions. Studies have shown that, with the exception of the SSR Ministry of Trade, there is no sector in the SSR economy where the percentage of women in managerial positions comes close to equalling their percentage of the overall work force. Even though we would like to speak about women in management in a positive sense, their representation so far has been only at lower levels and in less responsible positions. This is evident from the fact that, for instance, in the sector managed by the Ministry Of Industry, the 50 general or sectoral managerial positions at VHI are all filled by men. Women hold only 6 of 163 departmental management positions and only 31 of 240 divisional management positions. At the enterprise directorial level women are somewhat better represented, filling about 17 percent of the total positions. In industry, however, women hold only 5 of 129 enterprise director positions, and only 11 of 425 deputy director jobs.

As we have already mentioned women are best represented at the lower levels of management. They hold significant numbers of position in sectors with large numbers of female workers such as the textile and clothing industries. The title of manager has most often been granted to positions such as foreman, guild leader and division manager, with only the shining stars promoted to factory managers.

In the nonproduction sectors the largest numbers of women work in domestic commerce, in fields under the SSR Ministry of Trade and the Slovak Union of Production Cooperatives. This is the area where women are best represented in management positions. They fill almost 78 percent of all

available managerial positions in the areas managed by the Ministry of Commerce, and 64 percent of the managerial positions under the Union of Production Cooperatives. These, again, are lower managerial positions.

In this regard the existence of the principle of equal compensation for men and women deserves some mention. This is a problem that has been discussed a lot, but women continue to get the short end of the stick. Let us look at the average earnings of men and women, using data covering over 2 years. These data indicate that women are clearly at a disadvantage in compensation, with the average salary for men being Kcs 3,165 per month and the average for women being Kcs 2,489 per month. This is not only our problem, for similar disproportions in male and female compensation exist in other countries as well. There are many reasons for this, but one of the most important is the differing sectoral and professional structures of female employment, the role of women as mothers, to say nothing of the circumstances surrounding this role.

The increase in our living standards has forced the question of earnings in those sectors with large percentages of female workers more to the forefront. The world trend has been for discrepancies in earnings to decline over time. This has also been the trend, although a moderate one, in the CSSR. The ratio of average female earnings to average male earnings has been increasing, albeit negligibly. Measures implemented within the wage rate classification system under the program to improve the efficiency of the wage system will result in further, and more substantial improvements in this ratio. This involves primarily more rapid increases in hourly rates at the lower wage rate levels, so the discrepancy between class 1 and class 9 hourly rates will be less. Other steps include the reclassification of some activities from class 1 to class 2, and the possibility for assigning other activities to higher wage rate classifications.

These measures should make a significant contribution to improving the economic status of women and to make men and women more equal in the workplace. The success of these measures will require that women make significant improvements relative to men of the same generation in their general education level. In my opinion it is only a matter of time until this persistent problem is behind us. And by the way this is a group of questions which we have to deal with in the agricultural sector as well.

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